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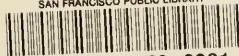
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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
6TH DAY OF JULY 1976

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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 6th day of July 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Stanley E. Jensen, Vice Chairman  
Joe Mosley

and the following were absent:

James A. Silva  
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were John D. Rogers, Rogers, Vizzard & Tallett; Martin Ron, Martin Ron and Associates; Bill Robinson, Towill, Incorporated; James Carroll, James F. Carroll & Associates; and Geroge Rescalvo, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Marc Elliot, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of June 29, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

- (a) Mr. John D. Rogers of Rogers, Vizzard & Tallett, requested and received permission to address the Members, in connection with an amendment to his contract for legal services in condemnation actions involving Western Addition A-2 and the Stockton/Sacramento project areas. Mr. Rogers addressed the Members regarding the motion made at last week's meeting which authorized payment for his firm's services from November 1975 to June 30, 1976 at the \$35 rate specified in the original contract. Mr. Rogers indicated his firm had understood it would be paid for these services at \$50 per hour which is the going rate for such legal services. He indicated that other public agencies were paying no less and cited examples of contracts with salary schedules which provide from \$50 to \$60 hourly for a Junior Associate, \$70 to \$90 for a Senior Associate, and \$90 to \$120 for a Senior Partner. He noted that the firm of Rogers, Vizzard and Tallett has been in practice for over thirty years and is currently contracting with other redevelopment agencies at the rate of \$50 or more per hour. Mr. Rogers indicated that an adjustment to the hourly contract rate had been requested for the past two years through the Agency's General Counsel Henry F. Davis, the channel through



SPECIAL APPEARANCES (continued)

whom his firm dealt in the Agency. In November 1975 when the original contract of June 1968 expired, Mr. Rogers had advised Mr. Davis that his firm would not proceed to provide services unless the rate was increased to \$50 per hour and Mr. Davis advised that he had taken the matter up with the Department of Housing and Urban Development (HUD) at that time. Subsequently, he was advised that HUD had approved the \$50 increase and that the amendment would be presented to the Members. Mr. Rogers indicated that Mr. Evans had urged the firm to continue providing services for the condemnation of properties in the Stockton/Sacramento project because without their services a loss of over \$1 million could occur. The firm proceeded with the understanding that a contract amendment with a \$50 hourly rate would be approved. Mr. Rogers indicated that it was not his intention to place blame for the delay in presentation of the matter to the Members, but he requested a reconsideration of last week's action. He indicated the value of the firm's services far exceeded \$50 per hour.

Chairman Kaplan advised Mr. Rogers that only the Members set the fees and Mr. Rogers indicated he knew the procedures of the Agency but had no alternative than to act through the staff. Chairman Kaplan noted Mr. Rogers had previously appeared before the Members regarding fees and Mr. Rogers indicated that he only appeared on matters already presented to the legal staff. He indicated he wished to avoid litigation and asked that the Members place the proper value on the services which have been rendered without a contract.

Mr. Jensen noted that the fee increase of 30 percent was substantial and expressed concern about paying retroactively any increase in legal fees. Mr. Rogers indicated that the fees should have been adjusted years ago but the firm had continued to serve until the contract had expired to make the request. Chairman Kaplan stressed that services provided after the contract expiration was done by Mr. Rogers on his own without the approval of the Members. Mr. Rogers indicated it was not his function to question procedures but indicated that he would refuse to serve if the fee were not immediately adjusted from \$35 to \$50 per hour. Mr. Jensen asked if he had been paid anything since November 1975 and Mr. Rogers indicated he had received nothing since January 1976 and in addition had been pressured into continuing services which he did believing that he was ethically bound to perform.

Chairman Kaplan indicated that the Members would take the matter under submission.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) It is the policy of the Agency, not a law, to pay the City and County of San Francisco an equivalent amount of in lieu taxes for developed property not yet on the tax rolls. There is a provision in disposition agreements with developers establishing a one percent fee to cover this amount. A payment of \$38,907 has just been made bringing the total in lieu tax payments to \$2,279,474.
- (b) Acquisition of properties in the Stockton/Sacramento project has just been completed and this could make possible a March 1977 construction date. Chairman Kaplan inquired how many of the parcels had been acquired through condemnation proceedings, and Mr. Quintin McMahon, Director of Marketing, Business Development and Real Estate, replied that two parcels had been scheduled for trial in June or July and actively negotiated resulting in a settlement. In total, there

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REPORT OF THE EXECUTIVE DIRECTOR (continued)

had been four to five in condemnation action in the project area. Mr. Evans indicated that HUD had released the conditional commitment.

NEW BUSINESS

- (a) Resolution No. 126-76 approving Amendment No. 1 to Personal Services Contract HE-24 with Genge Community Consultants, Hunters Point Redevelopment Project.

This item concerns amendment of the contract with Genge Community Consultants for \$517,000. The original contract authorized December 31, 1974 provides project scheduling design and construction surveying of the site improvements for the remainder of the Hunters Point project. In the 18-months' period since the start of this contract, several factors have led to the need for an increased budget. Mr. Evans requested that Mr. Redmond Kernan, Director of Engineering, detail these items. Mr. Kernan indicated that the \$2,286,000 had been authorized in December 1974 and to date notices to proceed totaling \$2,094,000 had been issued. Approximately \$1,500,000 worth of work has been accomplished to date. As work has proceeded, it is apparent that there are six areas where it will be necessary to increase the contract: (1) design costs have increased primarily as a result of an unanticipated need to perform extensive research into the water distribution system and to make design revisions conforming with the request of the San Francisco Water Department--this totals in excess of \$50,000; (2) the affirmative action program requires consultant review and analysis totaling \$30,000; (3) revisions of the Master Plan cost \$40,000 and result from the elimination of 32 of the more expensive housing units from the plan and rearrangements of other units in order to reduce construction costs; (4) acceleration of housing construction schedules for the project at a cost of \$125,000; of the anticipated \$12 million site improvements construction contracts have been awarded for \$5 million and \$4 million will be awarded this fall with the remaining \$3 million to be awarded in 1977 or early 1978. However, escalating housing construction costs necessitated acceleration of the housing design process and construction by compressing site improvement contract time and dovetailing site improvement and housing construction to allow the units to be built before inflation made the project infeasible; (5) architectural development services of \$217,000 are expected to be incurred through the acceleration of schedules but it is anticipated that \$76,000 of the \$217,000 will be recovered by the Agency from the housing mortgage packages based upon eligibility; and (6) a \$50,000 increase in design costs for an additional number of retaining walls necessary to serve as foundations for the housing. Mr. Kernan reiterated that these items total \$517,000 approximately and are attributable primarily to acceleration of scheduling and design work.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (b) Consideration of selection of consultant to perform surveying services, India Basin.

Mr. Evans indicated that five firms were interviewed to provide surveying services, and of these the three firms of Martin Ron and Associates; Towill, Incorporated; and James F. Carroll and Associates have been selected for consideration by the Members.

Mr. Martin Ron of Martin Ron and Associates came forward and indicated that he had worked for the Agency in the past as a subcontractor or partner to other consultants and had been in the city since 1968. The major portion of his work was



W. BUSINESS (continued)

repeat business and his livelihood depended upon efficient service. He indicated his survey equipment was the most modern and that he had been active in India Basin since 1971. The firm has a staff of seven people. In response to the Members' inquiry, he noted that there were no minority individuals on his staff.

Mr. Bill Robinson of Towill, Incorporated, came forward and indicated that he had familiarized himself with the site prior to submitting his proposal to the staff. He indicated that his firm had been in San Francisco since 1955 and consisted of 24 people who have the knowledge and equipment to do the work. He also indicated that there were two minority persons on the staff and that the firm's senior vice president was also a minority person.

Mr. James Carroll of James F. Carroll and Associates came forward and indicated that his firm was located in San Mateo and had never performed work for the Agency. He indicated his familiarity with the city and his knowledge concerning unstable soils problems. He indicated that his firm was well qualified and capable of performing the work in a professional and efficient manner and that he employed union people.

Mr. Jensen inquired if Mr. Evans had a preference since all the firms seemed to be well qualified. Mr. Evans indicated that the memorandum to the Members had ranked the firms in order of preference. Chairman Kaplan thanked the firm representatives for appearing.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the firm of Towill, Incorporated be designated as the design and construction surveying consultant for the India Basin project.

- (c) Resolution No. 125-76 authorizing and granting a variance from the physical standards and requirements of the Redevelopment Plan for Diamond Heights Approved Redevelopment Project Area B-1, Parcel D-2f.

This concerns a variance from the Redevelopment Plan for Diamond Heights to permit the owners, Mr. and Mrs. George Rescalvo, to extend their garage across the sideyard to the north property line and thereby allow a wider landscaped court. The adjacent neighbors have signed statements approving the proposed variance and the Diamond Heights Neighborhood Association has voiced no objections to the proposal. The change conforms to the City Planning Code which does not require sideyards in the area.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 127-76 travel authorization.

This is a request for travel for Mr. Evans to attend meetings in Baltimore and Washington, D.C. on July 7 to 9, 1976. The meeting in Washington is scheduled with Assistant Secretary of HUD David Meeker concerning the application of approximately \$20 million of "urgent needs" funds. The Baltimore meeting is with the National Association of Housing and Redevelopment Officials (NAHRO) Policy Development Task Force to develop policies recommending a change to existing legislation to promote private reinvestment in cities.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.



MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 128-76 commending Lance Burris, Project Director, for outstanding service on the occasion of his departure from Agency service.

Mr. Evans indicated that it was with regret that he asked the Members to consider the resignation of Mr. Lance Burris, Project Director for Yerba Buena Center. Mr. Burris has intended for sometime to complete his work on the project and an excellent opportunity has been presented to him on another development. Mr. Evans indicated that Mr. Burris's contributions have been substantial and commented that he was extremely able and industrious and would be missed. His duties will be assumed by Mr. Mel Ury, Project Director, until at least the end of the year. Chairman Kaplan inquired about the views of Mr. Thomas J. Mellon, Chief Administrative Officer, regarding Mr. Burris's resignation, and Mr. Evans responded that he was disappointed and regretful but understood the circumstances. Mr. Jensen commented that the record should show Mr. Burris had done an outstanding job for the Agency.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
13TH DAY OF JULY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 13th day of July 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Stanley E. Jensen, Vice Chairman  
Joe Mosley  
James A. Silva  
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Benny Stewart, Western Addition Project Area Committee (WAPAC).

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Carolyn Craven, KQED Channel 9 TV.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of a Regular Meeting of July 6, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Mayor has submitted the preliminary 1977 Community Development Program for expenditure of the City's \$28.8 million Community Development monies for public comment. The proposal includes \$17 million for the Agency's program for 1977. Following the public hearings the program will be submitted to the Board of Supervisors for approval and then to the Department of Housing and Urban Development (HUD). Of the \$17 million, funds will be allocated to Western Addition A-2 of \$5,890,600; Stockton/Sacramento, \$180,400; India Basin, \$339,600; and Hunters Point, \$10,589,400. The \$17 million, although a significant amount, is insufficient in terms of the program needs. "Urgent needs" funds are also available through HUD over and above the community development "entitlement" funds. Last year of the total national urgent needs funds of \$50 million, the City received \$3 million. This year \$100 million is available.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Evans reported that during his meeting with Assistant Secretary of HUD, David Meeker, he indicated that the \$100 million urgent needs money would serve such cities as Boston, New Haven, and San Francisco as a first priority. Mr. Evans noted that even though the Assistant Secretary was receptive, it remained to be seen how much San Francisco would receive. The City's application is for \$15- to \$20 million.
- (c) Last Saturday, the Agency staff toured the Mayor's Citizens Committee on Community Development through the Western Addition A-2 and Hunters Point projects. This is the Committee appointed by the Mayor to provide citizen input into the community development program. The tour was well received by the Committee.
- (d) Mr. Evans reported that in accordance with an informational memorandum sent to the Members, there was a new small project in Hunters Point for which \$75,000 had been made available in the 1975 community development application for the Agency to work with the Department of City Planning to plan for renewal of this area. The proposal will utilize the Agency's improved capacity in the area of rehabilitation. A request from approximately 70 to 80 residents was sent to the Board of Supervisors requesting that they designate a survey area consisting of approximately five blocks on Third Street. The project can be completed fairly quickly at small cost with maximum impact. The designation of the survey area will be considered next Tuesday by the Board of Supervisors' Planning, Development and Housing Committee.

UNFINISHED BUSINESS

- (a) Resolution No. 124-76 authorizing the Executive Director to execute an amendment to the contract for legal services in condemnation actions involving Western Addition Approved Redevelopment Project Area A-2.

Chairman Kaplan indicated that this item would be held over one week.

NEW BUSINESS

- (a) Resolution No. 131-76 approving and authorizing the Executive Director to execute a six-months' contract for park and mall maintenance and weed-abatement services with Jackson's Landscaping and Development Company in Diamond Heights, Yerba Buena Center and Western Addition A-2 Redevelopment Projects.

This item concerns award of a six-months' contract to Jackson's Landscaping and Development Company for maintenance services on Agency-owned property. The new contract will cover overhead and administrative costs plus salaries for eight staff to supervise 30 CETA workers. The amount of the new contract for \$104,830 reflects an increase of \$11, 874 due to increased union wages. The contract is for a six-months' period since the CETA program may be phased out January 1, 1977.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 130-76 awarding Demolition and Site Clearance Contract No. 67, Western Addition Area A-2, to Charles S. Campanella Company.

This concerns award of Demolition and Site Clearance Contract No. 67 in Western Addition A-2 for \$28,500 to demolish the building known as the "Fillmore Arcade",



NEW BUSINESS (continued)

located at the corner of Post and Fillmore Streets. The structure was originally intended to be rehabilitated in conjunction with the construction of the adjacent Jones Memorial Homes, but it proved to be infeasible and the Agency repurchased the building for demolition. The Charles S. Campanella Company is well qualified.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 129-76 authorizing termination of agreement for disposition of land for private redevelopment pertaining to Parcel 719-A (MR-1 C), Western Addition Approved Redevelopment Project Area A-2.

This represents termination of a disposition agreement with Maisin Development Corporation dated December 7, 1973 on Parcel 719-A at the corner of Franklin and Ellis Streets on which the developer planned to build a 13-story, 140-unit apartment. The City Code change made this infeasible and an 8-story, 70-unit elderly unit was attempted, but rents made this infeasible to finance. It is recommended that the deposit of \$3,965 be returned on the 13,200 square-foot parcel whose total price was \$79,300.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

Mr. Jensen inquired what was to be done with the above parcel, and Mr. Evans replied that it would be reoffered. Mr. Quintin McMahon, Director of Marketing, Business Development and Real Estate, indicated that it would be totally residential and that the Presbyterian Church has indicated some interest in it. Mr. Evans indicated that HUD had agreed to take Section 8 subsidy previously reserved for the Maisin Development and allow it to be used on another parcel in Western Addition A-2.

- (d) Resolution No. 132-76 supplementing the San Francisco Redevelopment Agency Rehabilitation Program for Western Addition Area A-2 redevelopment project to provide measures to avoid arbitrage bond status.

The bond counsel for the rehabilitation program requests the Agency to certify that the proceeds of the bonds will not be used in a way as to be construed as arbitrage bonds. This is necessary to assure tax-exempt status of the bonds made to the Agency.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Jensen inquired about the status of the Pacific Trade Center, and Mr. Evans responded that as of two weeks ago the group was still discussing financing with a lender in New York and also a lender through the Philippine Consulate.
- (b) Mr. Jensen also inquired about the status of the apparel mart in Yerba Buena Center, and Mr. Evans reported that plans have been submitted on schedule and Mr. Lyman Jee has signed up 300 prospective tenants and has his package together to submit for financing. Mr. Jensen asked if there was any trouble in obtaining financing, and Mr. Evans replied that nearly everyone has difficulty



MATTERS NOT APPEARING ON AGENDA (continued)

in this area and even though there is money around, the lenders are cautious in lending it and have imposed stringent requirements. However, Mr. Jee does have a lending source. Mr. Jensen inquired about an estimate on when construction would start, and Mr. Evans replied about January or February. Mr. Jensen inquired about the theme office building on Market Street, and Mr. Evans indicated Mr. Jee was working on the plans. Mr. Jensen inquired about anticipated disposition of land in India Basin, and Mr. Evans indicated that he anticipated there would be an action before the Members at an early Agency meeting.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:10 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
27TH DAY OF JULY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 27th day of July 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Stanley E. Jensen, Vice Chairman  
Joe Mosley  
James A. Silva  
Francis J. Solvin

DOCUMENTS

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and the following was absent:

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None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Eugene Miller, Converse, Davis, Dixon Associates; Edward S. Smith, International Engineering Company, Inc; James McCormick, McCormick-Morgan, Inc; Joseph Jenó, Dames and Moore; and Bill Brewer, Cooper-Clark and Associates

Representing the press were Marshall Kilduff, San Francisco Chronicle; Ivan Sharpe, San Francisco Examiner; and Dan Brosuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of a Regular Meeting of July 13, 1976 and the minutes of an Executive Meeting of July 13, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 44, 45, and 46a, India Basin Approved Redevelopment Project Area.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 44, 45, and 46a in India Basin Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Last evening the Board of Supervisors by a vote of 8 to 2 approved the designation of seven blocks in Bayview-Hunters Point as a survey area consisting of 25 acres for a proposed rehabilitation project on Third Street, from Innes to the India



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Basin project boundary. The request for the project came from 80 homeowners.

- (b) The Mayor's Citizens Committee on Yerba Buena Center concluded its public hearings last Saturday on six alternative plans and is now evaluating and obtaining more definitive information on these plans which will enable it to make recommendations. Public hearings on the Committee's recommendation will be held in mid-August with the intent to conclude the Committee's work by the end of August. Mr. Evans indicated that the meetings were sparsely attended and that a few people with special interests have been using the meetings as a forum.
- (c) Several weeks ago a proposal was brought to the Members which provided for a bid depository program for subcontractors in the Western Addition A-2 area. A great deal of staff work had gone into developing this mechanism to provide better opportunities for area-based subcontractors. The Members had approved trial of the bid depository on one building. Mr. Evans reported that despite extensive efforts to secure bids, there was no response from the subcontractors who had asked that such consideration be given them. He termed the experiment a failure.

Mr. Silva inquired whether the commercial section on Third Street would be included in the study of the Bayview-Hunters Point area, and Mr. Evans responded affirmatively indicating that both sides of the two blocks on Third Street would be included and that he would send the Members a map of the proposed rehabilitation program.

NEW BUSINESS

- (a) Resolution No. 134-76 approving sale of Parcels 44, 45, and 46a to McCormick-Morgan Company, Inc. and the minimum disposal price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Approved Redevelopment Project Area.

This was the subject of the public hearing and concerns disposition of Parcels 44, 45, and 46a of 64,000 square feet to McCormick-Morgan Company, Inc. for \$144,000 to construct a concrete tilt-up structure for use as a company headquarters and manufacturing operation. The company currently employs 25 people and will expand to 30. Since the company's present property has been acquired by the City, it was the company's original intention to leave San Francisco, but instead it has decided to relocate in India Basin. Mr. Evans indicated that this was the first parcel to be disposed of in India Basin and it was anticipated that more would follow rapidly. Mr. Jensen inquired exactly what the firm manufactured and Mr. James McCormick, President of McCormick-Morgan, came forward and indicated that the firm provided sales, engineering, and manufacturing services on such items as power systems to service aircraft on the ground. Of the 20,000 square-foot facility the firm will allocate 15,000 square feet for its shop facility.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 18, India Basin.

This is a request to advertise Demolition and Site Clearance Contract No. 18 in India Basin to clear two vacant structures.



NEW BUSINESS (continued)

**MOTION:** It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 18 in India Basin be advertised.

- (c) Consideration of selection of soils engineering services, Hunters Point Redevelopment Project.

Mr. Evans indicated that this concerned selection of a consultant for soils engineering services for Phase II of the Hunters Point project. Eleven firms had submitted expressions of interest, five were interviewed, and three are now recommended, as follows: (1) International Engineering Co., Inc., (2) Dames and Moore, and (3) Cooper-Clark Associates. A fourth firm, Converse, Davis, Dixon Associates, represented by Mr. Eugene Miller, which is currently working in the area, wished to be considered also. Mr. Evans indicated that all firms were qualified and noted that Converse, Davis, Dixon Associates was not included but only because of the Agency's policy of providing an opportunity for firms not having a contract with the Agency. Use of this firm could potentially save money and be more efficient because it is now working in the area.

Mr. Edward Smith, Chief Geotechnician of International Engineering Co., Inc., came forward and indicated that his firm had been in San Francisco since 1948 and had work experience both in this country and overseas. The firm had a staff of 25 people and had familiarity with governmental requirements.

Mr. Joseph Jenó of Dames and Moore came forward and indicated that his firm had been in the Bay Area for over thirty years and employed approximately 60 people in its San Francisco office. They had extensive work experience in geotechnical surveys and in engineering techniques and were familiar with the Hunters Point area, having worked for the naval shipyard facility in the area.

Mr. Silva inquired if Dames and Moore's price would be higher because the firm was not working in the project at the present time, and Mr. Jenó indicated that there was sufficient information and material available which along with some investigation would present no problem in performing the job.

Mr. Bill Brewer of Cooper-Clark Associates came forward and indicated that his firm had been in business since 1958 and Mr. Robert Cooper was a former employee of Dames and Moore and Don Clark also. The 35-employee office is in San Francisco and the laboratory and analysis work is done in Palo Alto. He indicated he would review any available data and review the site, followed up by an analysis.

Mr. Eugene Miller of Converse, Davis, Dixon Associates came forward and indicated that he was vice president of the firm which was presently working as a consultant in Hunters Point Phase II. He indicated that the firm could proceed more efficiently and economically to do this work because he considered Phase III as a continuation of Phase II with many overlapping aspects. The saving would accrue to the Agency because of the continuity in keeping the same engineers as on Phase II, and the continuation of the established working relationship with Agency staff and other consultants. He indicated there would also be a cost savings since his firm has the detailed knowledge of geologic conditions saving the cost of a new firm having to gain this background; further, some of the design criteria already developed for Phase II could be applied and inspections on Phases II and III could be combined. The estimated savings would be \$20,000. Mr. Miller indicated that the Agency staff rated his firm's performance very highly and that to date costs on Phase II have been under



NEW BUSINESS (continued)

budget and were expected to continue so until completion of the job. He also indicated that the firm had an affirmative action in effect and was minority owned in part.

Mr. Jensen asked what the staff recommendation was, and Mr. Evans indicated that any one of the firms would qualify. Mr. Silva questioned the potential savings of the \$20,000 and noted, for example, that the same area would not be inspected. Mr. Miller indicated that only a part-time inspector would be needed for each job and if one firm was doing the work it would eliminate the duplication that would result if different firms were involved. Mr. Silva indicated that this would not result in a savings to the Agency but rather that there would not be as large a profit for the other firm, since it would be anticipated that there would be \$20,000 less than the budgeted figure. Mr. Miller by way of clarification indicated it was the way the charges accrued to the Agency on an hourly basis, and Mr. Silva responded that this was negotiated. Mr. Jensen indicated that firms were not being chosen on by a bid amount. He stressed the desire of the Members to involve different firms.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that the firm of International Engineering Co., Inc. be selected as the consultant and that staff be authorized to negotiate an agreement with this firm for soils engineering services in Hunters Point Approved Redevelopment Project Area.

- (d) Consideration of selection of annual audit of Golden Gateway tax allocation bond funds and Hunters Point South School lease revenue bond funds.

This concerns an agreement with the firm of Ernst and Ernst for audit of tax allocation bonds for the Golden Gateway project and the Hunters Point South School at a cost of \$1,300 each, totaling \$2,600. Payment is made from bond funds. Mr. Jensen inquired if the firm were composed of certified public accountants, and Mr. Silva asked if they had worked for the Agency previously. Mr. Evans responded affirmatively to both questions.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the firm of Ernst and Ernst be selected to perform the annual audit of Golden Gateway tax allocation bond funds and Hunters Point School lease revenue bond funds.

- (e) Resolution No. 133-76 authorizing dedication and conveyance of Parcel 3735-B in the Yerba Buena Center Approved Redevelopment Project Area D-1 to the City and County of San Francisco being a new connector street between Tehama and Clementina Streets.

This concerns dedication and conveyance to the City of a new street which connects with Tehama and Clementina Streets to give access to abutting properties

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (f) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 44 in Yerba Buena Center to clear a vacant, one-story concrete building.



NEW BUSINESS (continued)

MOTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 44 in Yerba Buena Center be advertised.

- (g) Resolution No. 135-76 requesting the Board of Supervisors of the City and County of San Francisco to place on the November 2, 1976 ballot for approval by the electorate a proposal permitting the residential construction of up to 1,500 low-rent dwelling units to be financed by the Redevelopment Agency of the City and County of San Francisco.

This represents a request to the Board of Supervisors to place on the November ballot a referendum measure to permit the Agency to finance 1,500 units of low-rent housing under Senate Bill 99. Under State law such construction must be approved by the voters. In order to place the referendum on the ballot, it is necessary to obtain the approval of the Board of Supervisors and this resolution would request such approval.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 136-76 approving and authorizing the Executive Director to execute a contract for services related to the Yerba Buena Center Approved Redevelopment Project.

This is a request to contract with Mr. John B. Dykstra for work relating to the planning and financing of Yerba Buena Center at a cost not to exceed \$5,000. The resignation of Mr. Lance Burris, Project Director for the Yerba Buena Center Public Facilities, is effective August 1, 1976, and although Mr. Mel Ury is now working on this project with the Mayor's Select Committee on Yerba Buena Center, it is recommended that Mr. Dykstra, formerly Project Director, be utilized to provide his expertise including preparation of a fiscal analysis. In response to Mr. Solvin's questions, Mr. Evans indicated the hourly rate was \$35 per hour and that Mr. Dykstra's knowledge was essential to the project. In addition, there was no one on the staff that had the background to do this work.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (i) Consideration of security guard services, Hunters Point-India Basin.

Chairman Kaplan indicated that this item would be considered later on the agenda.

- (j) Resolution No. 124-76 authorizing the Executive Director to execute a contract for legal services in condemnation actions involving Western Addition Approved Redevelopment Project Area A-2.

This item was held over from a previous meeting and concerns amendment to the contract for legal services with Rogers, Vizzard and Tallett not to exceed \$25,000 on a \$50 hourly basis. These services are needed to complete pending condemnation actions. Mr. Rogers has assured staff that there will be no claim for any compensation other than the \$20,041 for services rendered from November 1975 through June 30, 1976 at \$35 per hour. Discussion followed on the alternatives to hiring staff rather than using consultants. Mr. Evans indicated that for some services specialized expertise was needed. Mr. Solvin indicated that although some of the consultant fees appear to be high, they had to cover other expenses and overhead of the consultants.



NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

(k) Consideration of purchase of data processing equipment.

This concerns purchase of data processing equipment for \$75,103. Mr. Evans indicated that the Agency has been leasing its data processing equipment from IBM since 1970 and the point has now been reached when it would be cheaper to buy rather than rent the equipment. Monthly rental is \$4,927.76, including maintenance and software. The monthly costs would decrease to \$1,153.47 amounting to an annual savings of \$45,291.48. In addition, the Agency would own the equipment valued at from \$70,000 to \$80,000.

Mr. Silva expressed concern that such equipment quickly became outdated and inquired how the value was arrived at. Mrs. Jane Hale, Controller, explained that this equipment, IBM System 3, had been purchased when it was first available and had the capacity to be expanded so it was not obsolete; also, the computer blue book valued the computer at \$90,000 for sales purposes, however, IBM will sell it for \$75,000 because of credits accrued over the lease period. Chairman Kaplan inquired if this computer was still being sold, and Mrs. Hale replied affirmatively. Discussion followed on the use of the computer and the number of hours on it. Mr. Jensen inquired if it would not be less expensive to contract for this work, and Mrs. Hale replied that this approach was tried but was unsuccessful. Mr. Silva asked the effect of not purchasing the equipment now, and Mrs. Hale replied that credits toward the purchase of the system would stop accruing.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

(i) Consideration of security guard services, Hunters Point-India Basin.

Mr. Evans noted that approximately two weeks earlier, K and B Guard Service had been notified that when its insurance expired the company would not renew the policy. He indicated that this had to be considered in the context of the national difficulty in securing insurance. He noted that the Agency had also experienced this problem and had gone to over forty companies before finding one with which to place its policy. However, as of this time, the contractor is in default. The firm may be able to secure the \$1 million policy required by its contract, however in the interim he recommended that action be taken to notify K and B Guard Services that it is in default, and would be terminated. He recommended that consideration be given to some further action.

MOTION: It was moved by Mr. Jensen that the K and B Guard Services be terminated and the Executive Director be directed to request the San Francisco Police Department to ensure the safety of the area.

Mr. Kenneth Wheeler of K and B Guard Services came forward and indicated that he believed that the Police Department did not have sufficient patrolmen to provide the necessary level of security in the area. In response to Chairman Kaplan's inquiry, Mr. Wheeler indicated he had insurance at \$25,000 and his attorney has been working on the problem. He indicated that San Francisco companies were frozen and it was necessary to go to the east coast. The Agency requirement of \$1 million per occurrence was very difficult to obtain and the premium is high. Mr. Wheeler added that his firm was notified just four days prior to expiration that the insurance would not be renewed.



NEW BUSINESS (continued)

Chairman Kaplan inquired what the Agency's liability was should something occur tonight, and Agency General Counsel Tilden H. Edwards replied that the Agency was obligated to protect the property under its jurisdiction.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that the K and B Guard Services contract for Hunters Point-India Basin projects be terminated.

Mr. Wheeler came forward and inquired about expenses that had been incurred prior to termination of the contract, and Mr. Edwards indicated that the terms under the contract for termination for cause would provide compensation just and equitable for all satisfactory work completed. If the contract is terminated for the Agency's convenience, then another provision would compensate for the ratio of the work completed if less than 60 percent of the contract was completed in which case the adjustment would be made for out-of-pocket expenses directly attributable to overall contract. Chairman Kaplan asked that this be worked out with Mr. Wheeler and a report be made next week. Chairman Kaplan indicated that the effective date of termination would be July 27, 1976 at 4:45 p.m.

Mr. Solvin inquired if there were any cases pending at this time or subsequent to the expiration of the K and B Guard Service insurance. Discussion followed on potential liability. Mr. Solvin indicated that the Police Department should be notified immediately of the need for protection of the area and that such notification be hand-delivered to the Chief of Police, with a copy to the Mayor. Mr. Evans expressed concern that the site office would not have protection, and Mr. Jensen indicated that the Police Department would provide, or if necessary, a guard could be hired on staff. Chairman Kaplan indicated that staff should see what it could do and report back.

ADJOURNMENT

It was moved by Mr. Solvin, seconded by Mr. Jensen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



76  
MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
3RD DAY OF AUGUST 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 3rd day of August 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Stanley E. Jensen, Vice Chairman  
James A. Silva

and the following were absent:

Joe Mosley  
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Western Addition Project Area Committee (WAPAC); Willie Beasley, Ken Wheeler, Rino Ceccato, and members of the K & B Guard Services; Charles Stuhr, Javita Buted, Beatriz Garcia, Gabriela Tambio, Ray Juachon, Mel Guillermo, Frank Mangrobang, and Rhody Laigo, representing the Philippine Trade Center; and Capt. William O'Connor, San Francisco Police Department.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

#### APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the minutes of a Regular Meeting of July 27, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel AA-1, Hunters Point Approved Redevelopment Project Area

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel AA-1, Hunters Point Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

#### REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) In connection with the action of the Board of Supervisors in designating a small area in Bayview-Hunters Point as a survey area last week, copies of **the project report** will be forwarded to the Members. Mr. Evans indicated that the Board of Supervisors' action meant that the Agency is now in the actual planning stage of the area in conjunction with other City Departments.



NEW BUSINESS

- (a) Resolution No. 137-76 approving the disposition price and method of sale and authorizing the execution of conveyance instruments; and ratifying and confirming publication of a notice of public hearing all in connection with the sale of Disposition Parcel AA-1 to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area, NDP A-5-1.

This was the subject of the public hearing just held and concerns disposition of Parcel AA-1 to the City and County of San Francisco for use as the Galvez Playfield. The Department of Housing and Urban Development (HUD) requires the City to purchase at fair market value a portion serving residents who are out of the project area. The City pays \$105,200 which is 43 percent of the total reuse value of \$244,650. The remainder will be dedicated to the City by the Agency. Construction is expected to start within the next thirty days on the six-acre parcel.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 19, Hunters Point Approved Redevelopment Project Area.

This concerns advertisement of Demolition and Site Clearance Contract No. 19 in Hunters Point for demolition of 24 buildings of 36 remaining on an "as vacated" basis. The contract will cover a one-year period. In reply to Mr. Silva's question, Mr. Evans indicated that there was presently a contract of this type which expires September 2, 1976.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that Demolition and Site Clearance Contract No. 19 in Hunters Point Approved Redevelopment Project Area be advertised.

- (c) Consideration of Hunters Point-India Basin Security Guard Services.

Chairman Kaplan indicated this item would be considered later on the agenda.

- (d) Consideration of Pacific Trade Center Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This is in connection with a request from the Pacific Trade Center for a 120-day extension of time to seek financing. The Filipino group is pursuing two avenues of financing, both involving foreign investment. These two groups are both part of the Philippine Cultural and Trade Center which has taken the position that whichever group obtains financing first will be recognized. It is necessary to obtain a substitute developer for Mr. William Haas who has essentially given up his efforts to obtain such financing and has agreed to withdraw upon reimbursement of his out-of-pocket expenses when a substitute developer is found.

Mr. Evans indicated that he had just met with Mr. Romeo A. Arguelles, Philippine Consul General, and various representatives of the Pacific Trade Center and it was indicated that the Philippine Government was interested in the project and had expressed its desire to see it move forward. One of the potential foreign investors is Mr. Ricardo Silverio, a Philippine industrialist who has offered to purchase the parcel, but time is needed for his examination of the concept of the total project.



NEW BUSINESS (continued)

Mr. Evans indicated that under the current disposition agreement, the Pacific Trade Center is in default because of its failure to produce evidence of mortgage financing. Since there has been no interest in the parcel from any other developer, and although staff has advised other developers of its potential availability, Mr. Evans believed that a 60-day extension should be granted following which staff would be directed to send the Pacific Trade Center a default notice. This would give the Pacific Trade Center 60 days more to cure their default and in effect provide them with the 120 days they requested. Mr. Evans indicated that the Pacific Trade Center people have to date expended in excess of \$350,000 of their own money.

Mr. Jensen inquired what the total extensions of time amounted to, and Mr. Quintin McMahon, Marketing, Business Development and Real Estate Director, indicated that it was one year. Mr. Jensen inquired if a 120-day extension would make it possible for the project to proceed, and Mr. Evans replied that there was no way to know since it depended upon the availability of financing. He indicated that the project was of such interest to the Philippine Government that the Consul General had met with him and indicated its support.

Mr. Charles Stuhr, attorney for the Pacific Trade Center, came forward and indicated that a 120-day extension was necessary so that the groups which had been working diligently to obtain funding could pursue potential financing sources. He also indicated that the Philippine Government had been brought into the matter and the Counsel General had sent an official emissary to that country to see if governmental financing was available but there were certain problems which deterred this. He mentioned that as a result of the Philippine Government's interest, an industrialist was also interested in the development. He reiterated that the people of the community had their funds invested in the project and wanted to produce the necessary funding. Chairman Kaplan indicated staff had recommended a 60-day extension and that thereafter the Pacific Trade Center would have a 60-day period to cure its default. Mr. Stuhr indicated that the recommendation was generous, and the people wanted to produce a project for the community.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that a 60-day extension be granted to the Pacific Trade Center for Parcel 762-A in Western Addition Area A-2, and if it had not produced evidence of mortgage financing it would then be notified that it was in default.

(c) Consideration of Hunters Point-India Basin Security Guard Services.

Chairman Kaplan indicated that at the last meeting the Members terminated the K and B Guard Services contract and requested the San Francisco Police Department be contacted as to its responsibility for patrolling the area. Since that time representatives of the Police Department and K and B Guard Services requested permission to speak on the issue.

Captain William O'Connor of the San Francisco Police Department came forward and indicated that the area would be patrolled as any other area in the city. He noted that many private guard services were employed to provide additional security. Mr. Jensen indicated concern that when the Agency was no longer working in the area that a private guard service would not be continued. Captain O'Connor indicated that the majority of private industrial firms had their own guard services to supplement the Police Department patrols, as did the Housing



NEW BUSINESS (continued)

Authority and some residential communities. In response to Mr. Jensen's inquiry, he noted that most of these services were paid by private funds. In reply to Chairman Kaplan's and Mr. Silva's questions, Captain O'Connor indicated no extra patrols would be added to protect the area but men who were not otherwise engaged would patrol the area. This is routine protection for high crime areas. Chairman Kaplan indicated that based upon Captain O'Connor's assurance of coverage in the area, the motion of last week would stand.

Mr. Kenneth Wheeler of the K and B Guard Services came forward and indicated that in all areas of San Francisco there were private security guard services supplemented by the Police Department but Hunters Point was one of high crime and since the contract has been terminated the people have been calling him expressing fear and concern that there was no protection because their service was not available. He asked for reconsideration of the contract and noted that 20 employees would have to be terminated.

Mr. Tevis Martin, attorney for the K and B Guard Services, came forward and indicated his understanding that the termination of the firm's contract was based upon failure to produce insurance. He noted that the firm was apprised of this only four days before expiration of the insurance and stressed that this was the result of bad publicity. He also indicated the national difficulty in obtaining insurance but added that most of the insurance has now been arranged for. He asked that, based on the availability of insurance, reconsideration be given to the reinstatement of the contract, since termination was for reasons beyond the control of the K and B Guard Services.

Chairman Kaplan indicated that the Members' action last week was taken by the full board and since only three Members were present today, the matter would be calendared when all the Members were in attendance.

Mr. Rino Ceccato, the firm's insurance broker, came forward and indicated that he had provided insurance coverage for the K and B Guard Service for four years and that he was given only four days' notice by the insurance company that the insurance was not to be renewed. At that time, he had secured \$25,000 for immediate coverage and now had half of the required \$1 million insurance needed with the balance expected to be available by the end of the week. He indicated the difficulty in obtaining insurance for this type of business. Chairman Kaplan indicated that the matter would be considered when a full board was present. Mr. Jensen expressed the opinion that a private security service was no longer necessary and that the Police Department could provide an adequate level of service. If not, he believed the Mayor and Board of Supervisors should be apprised of the inadequacy.

Mr. Willie Beasley came forward and indicated that he was Vice President of K and B Guard Services and that the Police Department does not have the manpower to provide the level of service needed. He asked if there were any other reason for the termination than that of lack of insurance and also noted that the firm had been invited to bid on the guard service for Western Addition A-2. Chairman Kaplan indicated the contract had been terminated for lack of insurance. Mr. Beasley believed that the firm was a victim of the press and could not obtain insurance because of the bad publicity and that it deserved the opportunity to complete its contract for guard services. He stressed that the firm had done nothing wrong and suggested that the \$1 million insurance requirement was excessive for the Agency's program. In reply to Mr. Beasley, Mr. Silva indicated that the only reason staff had recommended termination of the K and B Guard



NEW BUSINESS (continued)

Service contract was because of lack of insurance. Mr. Silva noted that they did not yet have the insurance.

Mr. Tevis Martin expressed his appreciation to the Members for indicating that the matter would be calendared again and noted his understanding it was only the lack of insurance which caused termination of the contract which the firm wished to complete. Mr. Jensen indicated that he would be out of the city on business and that he wished to go on record that he could not vote for continuance of these guard services under any condition. Chairman Kaplan indicated that the matter would be considered when four Members were present and Mr. Jensen's vote would be recorded as a "no" vote.

ATTENDERS NOT APPEARING ON AGENDA

- (a) Consideration to authorize an additional \$1,000 work order for the Mayor's Select Committee on Yerba Buena Center.

Mr. Evans indicated that he had received a request from the Office of the Mayor asking that an additional \$1,000 be provided to the Mayor's Select Committee on Yerba Buena Center, because it had expended the \$10,000 already provided to it. Mr. Jensen asked if this were all that would be needed, and Mr. Evans replied that it appeared this would be sufficient and that the Committee should be completing its work in August.

**MOTION:** It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that \$1,000 be provided to the Mayor's Select Committee on Yerba Buena Center.

ADJOURNMENT

It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A SPECIAL MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
13TH DAY OF AUGUST 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 2:00 o'clock p.m. on the 13th day of August 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Stanley E. Jensen, Vice Chairman  
Joe Mosley  
James A. Silva

DOCUMENTS

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and the following was absent:

Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present was David Towner, Golden Gateway Center.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of a Regular Meeting of August 3, 1976, as distributed by mail to the members, be approved.

OFFICIAL APPEARANCES

Hearing on draft Environmental Impact Report for the Proposed Amendment to the Official Redevelopment Plan for the Approved Embarcadero-Lower Market Project Area E-1. (Recessed from August 10, 1976)

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the draft Environmental Impact Report for the Proposed Amendment to the Official Redevelopment Plan for the Approved Embarcadero-Lower Market Project Area E-1. Mr. Evans indicated that this item related to plan changes for development of the last three blocks of the Golden Gateway Center. The draft Environmental Impact Report has been prepared and circulated for comments within the statutory limits of time. At the conclusion of this public hearing all comments and revisions will be made to the draft Environmental Impact Report and at a later meeting the Members will be asked to adopt it as complete. Only two letters were received and one was from the State Clearing House in Sacramento which reviews all EIR's. It had no comments to make and found the draft in conformity with the California Environmental Quality Act. The other letter was from the Director of City Planning indicating preference for an increase in housing units rather than the proposed reduction.



SPECIAL APPEARANCES (continued)

There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Mr. Jensen inquired if the Sidney Walton Park would be affected by the amendments, and Mr. Evans answered negatively indicating that it was a separate issue.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The official groundbreaking ceremony for the construction of the new State Bar Building at Franklin and Fulton Streets will be held on August 26, 1976 at 11 a.m.
- (b) A request is before the Board of Supervisors concerning the referendum on 1,500 units of housing. The number of units has now been changed to 3,000 units to provide housing citywide. This referendum matter will be considered by the Board of Supervisors on August 16, 1976 at 9:30 a.m. for placement on the November ballot.
- (c) Mr. Evans indicated that Chief Administrative Officer Thomas J. Mellon is retiring on August 31, 1976, and the Members may wish to recognize his assistance to the Agency over the years through a resolution which will appear later on the agenda.

AGENDA BUSINESS

- (a) Resolution No. 138-76 authorizing the executive Director to pay claim of Loren Miller Homes, Western Addition Area A-2.

This is a claim from Loren Miller Homes, Western Addition A-2, arising out of the construction of the Buchanan Street Mall for damages caused by a sewer backup to the development. A contractor corrected the situation at the request of Loren Miller Homes and reimbursement of the cost for the work and damages of \$3,341 is recommended. Staff has determined that the sewer was poorly connected by the Agency's general contractor, J. H. Fitzmaurice, Inc., who refused to make the repairs. Staff will undertake to obtain reimbursement from J. H. Fitzmaurice, Inc.

**ADOPTION:** It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 140-76 authorizing the Executive Director to enter into owner-participation agreements with certain property owners in Western Addition Approved Redevelopment Project Area A-2, Block 674, Lot 2A, Block 719, Lot 12A, and Block 754, Lot 11.

This concerns execution of three owner-participation agreements in Western Addition A-2 for Iris Chen, et al, on Block 674, Lot 2; George Lord, Block 719, Lot 12A, and Block 754, Lot 11. The Louie building will be rehabilitated at a cost of \$279,000 financed through a Section 312 loan. The Lord building met the Agency's rehabilitation standards and city codes so no further work was required, and \$30,000 in rehabilitation work has brought the Bowser structure up to standard.



BUSINESS (continued)

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (c) Consideration of selection of landscape architect to design the Galvez Playfield Phase II, Hunters Point Approved Redevelopment Project Area.

Mr. Evans indicated that this concerned a proposal to negotiate a contract with Mr. Richard Schadt, landscape architect, for the design of Phase II of the Galvez Playfield in Hunters Point. Mr. Schadt had completed the master plan for the playfield and also the site of the adjacent North School and because of his involvement in this overall design it is important to retain continuity of ideas. Staff, therefore, recommends that he be retained for Phase II at a contract price of approximately \$30,000. Mr. Evans indicated that this varied from the normal method of selecting consultants but in this case was a more efficient way to accomplish the work.

Mr. Silva inquired if Mr. Schadt were selected through the normal process originally, and Mr. Evans replied affirmatively. Mr. Silva asked if there had ever been any indication he would do the complete job, and Mr. Evans indicated that he did not believe so because it was unknown when the second phase could be completed due to lack of funds. Mr. Silva asked how much the contract for the first phase had been, and Mr. Earl Mills, Deputy Area Director of Hunters Point and India Basin, replied that it was \$33,000 for the design work. Mr. Silva inquired if there was about the same amount of work to be done, and Mr. Mills answered affirmatively, adding that the second phase also involved design for a building.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that Mr. Richard Schadt be selected and staff authorized to negotiate a contract for landscape architecture design services on the Galvez Playfield Phase II of Hunters Point Approved Redevelopment Project Area.

Mr. Jensen inquired if the Agency had sufficient money to maintain parks after they were built, and Mr. Evans indicated that the Agency conveys parks to the City and maintenance of them is budgeted by the Recreation and Park Department. The Agency's contractor, however, does provide the first year of maintenance. Mr. Jensen commented that he wished to be certain parks were maintained and not neglected.

- (d) Resolution No. 141-76 awarding Personal Services Contract HE-32, Hunters Point Redevelopment Project, to International Engineering Co., Inc.

This concerns execution of a personal services contract with International Engineering Co., Inc. for geotechnical services for Phase III of the Hunters Point project in an amount not to exceed \$160,000.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 139-76 awarding Personal Services Contract IE-13, India Basin Industrial Park, to Towill, Inc.

This concerns execution of Personal Services Contract No. IE-13 with Towill, Inc. for surveying services in India Basin Industrial Park in an amount not to exceed \$116,000 for a term of 18 months.



BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (f) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 45, Yerba Buena Center Approved Redevelopment Project.

This concerns advertisement of Demolition and Site Clearance Contract No. 45, Yerba Buena Center, for demolition of the seven-story Imperial Hotel, which will be vacated in thirty days.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 45 in Yerba Buena Center Approved Redevelopment Project Area be advertised.

- (g) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 4, Stockton/Sacramento Approved Redevelopment Project.

This concerns advertisement of Demolition and Site Clearance Contract No. 4 in the Stockton/Sacramento Approved Redevelopment Project to demolish two residential buildings, both of which are vacant. Mr. Jensen inquired about the proposal to use only San Francisco contractors, and Mr. Evans indicated this was being considered.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 4 in the Stockton/Sacramento Approved Redevelopment Project Area be advertised.

- (h) Consideration of results of actuarial report providing automatic cost-of-living increase for retired members.

This is the first step to allow the Agency to begin processing an amendment to the contract with the State Public Employee's Retirement System (PERS). The amendment provides an increase in the annual automatic cost of living allowance from two percent to five percent at an estimated annual cost of \$114,000 for all retired members.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that an amendment be initiated to the Public Employee's Retirement System (PERS) contract to permit an automatic annual cost-of-living increase from two percent to five percent.

- (i) Resolution No. 176-76 commending and expressing appreciation to Thomas J. Mellon for his devoted services and outstanding achievements upon the occasion of his retirement as Chief Administrative Officer of the City and County of San Francisco.

Mr. Evans indicated that his resolution was an expression of commendation to Chief Administrative Officer Thomas J. Mellon who is retiring at the end of the month. Mr. Evans commented upon his outstanding service and help to the Agency during his tenure as a City official.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

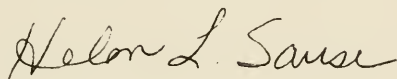


minutes of a Special Meeting, August 13, 1976

ADJOURNMENT

\* was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 2:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause  
Assistant Agency Secretary



76  
MINUTES OF A SPECIAL MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
19TH DAY OF AUGUST 1976

Members of the Redevelopment Agency of the City and County of San Francisco met a special meeting at 939 Ellis Street in the City of San Francisco, California at 12:00 o'clock p.m. on the 19th day of August 1976, the place, hour, and date duly established for the holding of such meeting.

Acting Chairman called the meeting to order and on roll call the following answered present:

Stanley E. Jensen, Acting Chairman  
Joe Mosley  
Francis J. Solvin

the following were absent:

Walter F. Kaplan, Chairman  
James A. Silva

Acting Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

present was David Towner, Golden Gateway Center.

representing the press were Mike Taylor, San Francisco Chronicle; and Ivan Sharpe, San Francisco Examiner.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed amendments to the Official Redevelopment Plan for the Approved Embarcadero-Lower Market Redevelopment Project Area E-1

- (a) Acting Chairman Jensen opened the public hearing to hear all persons interested in the matter of the proposed amendments to the Official Redevelopment Plan for the Approved Embarcadero-Lower Market Redevelopment Project Area E-1. There being no persons wishing to appear in connection with the matter, the Acting Chairman declared the public hearing closed.

PART OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The appointment of three new Members is being heard by the Board of Supervisors' Rules Committee today; if approved they will be sworn in shortly. Mr. Evans noted that one of these Members will replace Mr. Solvin, who resigned from the Agency in January but was asked to serve until a replacement for him could be found. Mr. Solvin may be attending his last meeting today. Mr. Evans expressed appreciation for the high level of service and excellent advice which Mr. Solvin had rendered to the Agency during the tenure of his office. Mr. Solvin thanked Mr. Evans for his comments and added that it had been a pleasure to be on the Board. Mr. Jensen noted for the record that Mr. Solvin had not resigned under pressure but had resigned long before any controversy had occurred. In reply to



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Solvin's inquiry, Mr. Evans indicated that his replacement was Reverend Hannibal Williams, who would complete the two years left in Mr. Solvin's term of office. The Members directed that a suitable resolution be prepared commending Mr. Solvin's service.

- (b) A bid opening was held August 17, 1976 for sale of \$44,755,000 of project loan notes, and of that amount \$42,905,000 went to the Bank of America, et al, and \$1,850,000 to the United California Bank at an average interest rate of 3.1152 percent. The previous rate was 3.09 percent, and bidders offered rates ranging from 3.10 to 3.34 percent.
- (c) Mr. Evans reminded the Members that the next Agency meeting would be held on August 31, 1976 at 3 p.m. at the Ammel Park housing development in Western Addition Area A-2.
- (d) Since this is a special meeting and no matters not appearing on the agenda may be considered, Mr. Evans alerted the Members that a request for travel ratification may be presented at the next Agency meeting for Mr. Arnold Baker's attendance at a meeting on proposed changes in relocation legislation in Washington, D.C. The Members voiced no objection.

BUSINESS

- (a) Resolution No. 142-76 certifying completion of the Environmental Impact Report for the proposed amendment to the Official Redevelopment Plan for the Approved Embarcadero-Lower Market Redevelopment Project Area E-1.

This item requests certification of the Environmental Impact Report on the Official Redevelopment Plan for the Embarcadero-Lower Market project. No comments have been received other than those mentioned at last week's meeting and these have been incorporated. It is, therefore, requested that the EIR be declared complete.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 143-76 approving proposed amendments to the Official Redevelopment Plan for the Approved Embarcadero-Lower Market Redevelopment Project Area E-1 and referring and recommending the same to the City Planning Commission and the Board of Supervisors of the City and County of San Francisco.

This is in connection with the public hearing just held and concerns the proposed amendments to the Approved Redevelopment Plan which will change how land may be used in Phase II of the Golden Gateway Center and change the standards for development in that portion of the project area. In addition, at the request of the developer, certain language differing from the published plan change wording is to be made in the last sentence of Page 1, reading as follows: "... residential shall be the primary use and shall take precedence over other permitted uses upon development to the extent that the Agency and the redeveloper shall find such precedence to be economically feasible." will be amended to read, as follows: "... residential shall be the primary use and shall take precedence over other permitted uses upon development unless the Agency shall find such precedence to be economically infeasible." Mr. Evans indicated that staff believed the wording did not change the meaning and was acceptable. Fundamentally the plan change reduces the height limit and density and increases the amount of



W BUSINESS (continued)

commercial use. Mr. Evans indicated that staff recommended the change since it provided for a quality development containing significant open space.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

Mr. Jensen inquired when construction would start, and Mr. Evans indicated that the plan change first had to be approved by the City, after which the developer has eight months to begin construction, or about ten months from today. Although the developer is ready to start final plans and could proceed earlier, he is reluctant to do so until there is assurance that the project will go forward.

Mr. Jensen inquired if the press had received copies of Chairman Kaplan's open letter to Supervisor Quintin Kopp. He indicated that the press had treated the Agency fairly and expressed the hope that it would continue to do so by publishing Chairman Kaplan's remarks. He indicated that the Agency had been responsible for over \$1 billion of rebuilding in the city and \$1 million of work was continually underway during the last decade, and that over 10,000 permanent jobs had been created by the Agency, with 50,000 more to come. He indicated that the Agency has made a substantial contribution to the city.

OURNMENT

It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 2:30 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
31ST DAY OF AUGUST 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 656 Grove Street in the City of San Francisco, California at 3:00 o'clock p.m. on the 31st day of August 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Dian Blomquist  
Alan E. Rothenberg  
James A. Silva  
Dr. Hannibal Williams

and the following were absent:

Stanley E. Jensen, Vice Chairman  
Joe Mosley

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Benny Stewart, and Fred Noldon, Western Addition Project Area Committee (WAPAC); Harold Taliaferro, Fanny McElroy, Fanny McDaniels, Margaret Fells, and Teresa Perrigan, Ammel Park; Noboru Nakamura, Van Bourg, Nakamura and Associates; Herbert Ziesch, Hayes Valley Improvement Association; Helen Erickson and Bill Burdick, Fillmore Merchants Association; Albert Gage and Henry Gage, Albert's Patrol; Geneva Eberhart, Street People's Committee; D. C. Miley and Vernon Humber, D. C. Miley Trucking and Excavating; Dr. Carlton Goodlett, Patricia Coplans, Randolph Osborne, Luis Bertolucci, Ira Henderson, Michael O'Neill, and John King, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress; and Tom Fleming, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Chairman Kaplan, and unanimously carried that the minutes of a Special Meeting of August 13, 1976 and the minutes of an Executive Meeting of August 13, 1976, as distributed by mail to the Members, be approved.

Chairman Kaplan welcomed the three new Members and hoped they would enjoy their work with the Agency.

SPECIAL APPEARANCES Welcoming remarks by Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC) and Mr. Harold Taliaferro, Chairman of Ammel Park Board of Directors.

- (a) Mrs. Mary Rogers welcomed everyone to Western Addition A-2 and hoped that each would have an opportunity to walk through the community to see what has been accomplished. She also welcomed the three new Members and noted Dr. Hannibal Williams's long interest in the area, since he was instrumental in developing community participation in the project. She indicated her pleasure in working



SPECIAL APPEARANCES (continued)

with the Members and Agency staff and indicated that much had been accomplished both on the local as well as the national level by the Members and staff.

Mr. Harold Taliaferro, Chairman of Ammel Park Board of Directors, welcomed all and invited those present to visit the project. He expressed the group's appreciation, indicating that the Agency had always been helpful in solving any problems that had arisen in connection with Ammel Park.

- (b) Chairman Kaplan indicated that earlier this year the American Revolution Bicentennial Administration cited San Francisco as "the best example of renewal in the country" and bestowed honors on four particular redevelopment projects in the city: Diamond Heights, Hunters Point, Golden Gateway, and the Japanese Cultural and Trade Center. In singling out the Japanese Cultural and Trade Center, the Bicentennial Administration indicated that the Japanese Government was a financial partner in this first ethnic cultural and trade center to be built under redevelopment in this country. Chairman Kaplan added that the Center was one of only 200 developments throughout the nation picked for this bicentennial honor. Chairman Kaplan's remarks are attached as a copy to these minutes.

Chairman Kaplan noted that Mr. Noboru Nakamura of Van Bourg, Nakamura and Associates was present to accept the American Revolution Bicentennial Administration award of a flag for the Japanese Cultural and Trade Center. Mr. Nakamura indicated his appreciation for this significant honor on behalf of the many people who had contributed to the success of the Center and noted that without the help of the former Directors, Mr. Justin Herman and Robert L. Rumsey, as well as Mr. Evans, the Center could not have been completed. He noted especially those who had worked with the Nihonmachi Corporation, such as Messrs. Gene Suttle, Area Director for Western Addition A-2, and Redmond Kernan, Director of Engineering, who had spent many hours in meeting with the community and solving problems.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 707-B, Western Addition Approved Redevelopment Project Area A-2.

- (c) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 707-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 744-A, Western Addition Approved Redevelopment Project Area A-2.

- (d) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 744-A, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Mr. Evans indicated his belief that the staff and Members should come to the



REPORT OF THE EXECUTIVE DIRECTOR (continued)

community more often and indicated that this was a satisfactory day for both since it provided an opportunity to view the accomplishments of the Agency. He noted that Ammel Park was an example of the housing in the area. This particular development was designed as a rental and later converted to a cooperative as a means of providing more home ownership. He praised the work of the Agency staff, including that of Area Director Gene Suttle and Deputy Executive Director Wilbur W. Hamilton, and indicated that the Agency was proud of the progress of the project. He noted that although the Agency projects occupy less than four percent of San Francisco, almost half the housing in the city has been provided by redevelopment.

- (b) The formal groundbreaking for the State Bar Association building took place August 26, 1976 and was notable because the Western Addition Project Area Committee (WAPAC) and the Association worked with staff on development of an affirmative action program for the hiring of minorities for permanent positions, as well as during construction work.
- (c) Last week the Members requested that staff draft a resolution commending Mr. Francis J. Solvin in recognition of his efforts during his nine years of service. Mr. Evans indicated that Mr. Solvin had given good advice during his tenure and the resolution reflects this. He also noted the resignation of Mrs. Enid Sales, Director of Rehabilitation, had been regretfully accepted, and he commended her for her four years of dedicated service with the Agency. He reported that at the previous Agency meeting the Members had passed a resolution acknowledging her services.

Resolution No. 167-76 commending and expressing appreciation to Francis J. Solvin for his devoted service upon the occasion of his departure as a Member of the San Francisco Redevelopment Agency.

ADOPTION: It was moved by Mr. Silva, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (d) Mr. Evans reported that the Mayor's Select Committee on Yerba Buena Center had made its formal recommendations to the Mayor and copies of the recommendations, comments, and suggestions would be sent to the Members.

REPORT OF KEY STAFF MEMBERS

- (a) Mr. Gene Suttle, Area Director of Western Addition A-2, came forward to report on the status of the project area as shown in the report attached and incorporated as a part of these minutes. Mr. Suttle noted that in addition to this progress report, \$52 million of new construction proposals had been received and were being evaluated by the staff.

NEW BUSINESS

- (a) Resolution No. 148-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 707-B, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing just held and concerns disposition of Parcel 707-B to Dr. Carlton B. Goodlett for \$22,000 to construct 11 condominium-townhouses each having three bedrooms and two and one-half baths. Upon completion



NEW BUSINESS (continued)

these units will be sold in the \$65,000 to \$75,000 range and construction is expected to start in the spring of 1977. In reply to Ms. Blomquist's question, Mr. Evans replied that the parcel consisted of 16,700 square feet.

ADOPTION: It was moved by Mr. Silva, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 147-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 744-A, Western Addition Approved Redevelopment Project Area A-2.

This was also the subject of the public hearing just held and concerns disposition of Parcel 744-A to the C & O Construction whose partners are Patrick Connolly and Michael O'Neill for \$100,500. Two residential apartment buildings will be constructed containing 45 apartments of one and two-bedroom units, and prices will range from \$260 to \$290 and \$330 to \$350, respectively. Construction is proposed to start this fall and is estimated at \$900,000. In reply to Ms. Blomquist's question, Mr. Evans indicated that they were four to five story, wood-frame buildings.

ADOPTION: It was moved by Mr. Silva, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 159-76 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 675-C(1) to a member-shareholder of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project.

This is in connection with transfer of Parcel 675-C(1) to a member-shareholder for \$45,375, or \$3 per square foot. The parcel, located on Sutter between Buchanan and Laguna Streets, consists of 15,125 square feet. Mr. Evans noted that the parcel will be used for the construction of 29 units for the elderly.

ADOPTION: It was moved by Mr. Silva, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 154-76 approving loan of \$3 million from Wells Fargo Bank for loans to homeowners in the designated residential rehabilitation area, Western Addition A-2.

This concerns an agreement with Wells Fargo Bank for an additional \$3 million loan for the Agency's rehabilitation program. This is money which will be reloaned at low interest rates to property owners in Western Addition Area A-2 to rehabilitate their residential properties. This loan program was originally established with a \$1 million loan from California First Bank, formerly the Bank of Tokyo, and the staff will continue to work with other banks to obtain the total \$18- to \$20 million needed to complete the project's rehabilitation. The interest rate on this money is 6 percent to the Agency and 6-3/4 percent to the homeowners. After five years the rate will be adjusted to float with prime yield from BAA-quality five-year municipal bonds, and any difference will be passed on to the homeowner. The terms of the loans of the California First Bank fund differed in that the Agency could loan up to 75 percent of the after-rehabilitation



NEW BUSINESS (continued)

value of the property whereas the Wells Fargo Bank funds can be loaned up to 90 percent, if guaranteed by private mortgage insurance. The Wells Fargo agreement will also allow the Agency to lend up to \$600,000 in second mortgages. The total amount that the Agency must deposit with Wells Fargo will be \$300,000 in a noninterest bearing account of which \$100,000 will be deposited before securing the first \$1 million loan; another \$100,000 would be deposited for the second million, and another \$100,000 for the remaining million. Mr. Evans indicated that the 3/4 percent difference between the Agency's borrowing rate and the lending rate would provide a contingency fund. So far there have never been any defaults in rehabilitation transactions, but this provision will cover any that may occur. There will be further actions implementing the program at a later date, including (1) establishment of a loan committee, (2) authorization of check signers, and (3) contract for bond counsel.

In reply to Chairman Kaplan's question, Mr. Evans indicated that implementation of new const-uction programs under SB 99 would require validation of the legislation and that this was proceeding.

Dr. Williams inquired about the Agency's role as a lending institution and Mr. Evans indicated that the Agency both loaned and borrowed on a long-term basis. The Agency could assign its interest to a successor to the agency. He noted as an example that the bonds for the Hunters Point South School were for a 20-year period. Chairman Kaplan indicated that the bonds for the BART Embarcadero Station shell were also long-term. The Agency also finances the work with \$50- to \$60-million in project loan notes.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 152-76 authorizing checking account in connection with residential rehabilitation program for Western Addition A-2 Redevelopment Project Area.
- (f) **Resolution** No. 153-76 authorizing checking account in connection with residential rehabilitation program for Western Addition A-2 Redevelopment Project Area.

Chairman Kaplan stated these resolutions would be considered together. Mr. Evans indicated that these resolutions authorized check signers for the rehabilitation loan program in connection with \$1 million loan borrowed from California First Bank. Part of the agreement with the bank was to establish two accounts, one of which will receive the \$100,000 deposit as security, and the other will be for deposit receipts from the loans.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Silva, and unanimously carried that these resolutions be adopted.

- (g) Resolution No. 161-76 awarding Site Improvement Contract No. 19 in the Western Addition A-2 Approved Redevelopment Project Area to Andre Landscape Contractors, Inc.

This concerns award of Site Improvement Contract No. 19 to the lowest of three bidders, Andre Landscape Contractors, Inc. for \$21,750 to plant 149 trees adjacent to Ammel Park, Buchanan Park, and the Nihonmachi Terrace. Mr. Evans noted the escalation of street tree planting costs. Ms. Blomquist inquired if any San Francisco firms had bid, and Mr. Thomas Roberts, Project Engineer, replied



NEW BUSINESS (continued)

that although the contract had been widely advertised, no interest was shown by any firm in the city. Dr. Williams asked if there was a list available to community contractors, and Mr. Suttle answered affirmatively, noting that this contractor would draw half of its employees from the project area.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 158-76 approving work order for building inspection services for the period September 1976 to November 1977 for Western Addition Approved Redevelopment Project Area A-2.

This concerns a work order with the Department of Public Works for building inspectors for the Western Addition A-2 rehabilitation program for a 13-months' total time not to exceed \$35,000. Mr. Evans explained that this would eliminate duplicate inspections since the City codes have to be conformed to.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

Mrs. Mary Rogers of WAPAC asked that the building inspectors adhere to the standards more closely, and the Members and staff indicated this would be called to their attention.

- (i) Resolution No. 146-76 approving the ~~method of sale~~ and minimum disposal prices for certain parcels; approving placement of advertising; and making certain findings and determinations in connection therewith, Western Addition Approved Redevelopment Project Area A-2.

This concerns the offering of seven parcels for residential development on a predetermined price basis and also the request to expend \$3,000 for advertising. Mr. Evans indicated that this is in accordance with a normal disposition practice where prices are set and the proposals evaluated on which has the best qualifications and capacity to perform. Mr. Evans indicated that these sites had been cleared for a long time and it was desirable that the land be built upon soon. He also noted that these were former San Francisco Housing Authority sites on which the Authority has no funds to start development and therefore has agreed to offer them. Ms. Blomquist inquired about the residential characterization when all seemed to have multifamily and commercial uses, and Mr. Quintin McMahon, Director of Marketing, Business Development and Real Estate, indicated that the primary use was residential but neighborhood commercial uses to serve the residents were allowed. He added that this proposed use was established in the Redevelopment Plan.

Mr. Rothenberg inquired if the Agency used real estate brokers, and Mr. McMahon answered affirmatively noting that some commissions had been paid and their participation in India Basin land marketing was being sought; however, overall there was little interest from the brokers. In reply to Mr. Rothenberg's question, Mr. McMahon indicated that developers usually prefer to deal directly with the Agency.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (j) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 68, Western Addition Approved Redevelopment Project Area A-2.

Chairman Kaplan indicated that this item would be held over for more information at the request of Ms. Blomquist.

- (k) Resolution No. 151-76 awarding Demolition and Site Clearance Contract No. 44, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to Nor-Cal Demolition, on the basis of the low bid received and authorizing the Executive Director to execute same.

Chairman Kaplan indicated that this item would be held over for more information at the request of Ms. Blomquist.

- (l) Resolution No. 156-76 awarding Demolition and Site Clearance Contract No. 18, India Basin, to Charles S. Campanella.

Chairman Kaplan indicated that this item would be held over.

- (m) Resolution No. 160-76 awarding Site Improvement Contract No. 16, India Basin Approved Redevelopment Project, Calif. R-III.

This concerns award of Site Improvement Contract No. 16 to the lowest responsible bidder, Munkdale Bros., for \$180,939 for construction of the India Basin entrance sign, associated landscaping, and curb, gutter and sidewalk installation of street trees. Mr. Evans indicated there was a defect in the low bid. The closing time for bid receipt was 2 p.m. but as the bid box was being carried by one of the staff to be opened, a late bidder stuffed his bid. This was the low bid, but three minutes late, which in the opinion of Agency General Counsel Tilden H. Edwards renders the bid defective and void. The next lowest bidder was Munkdale Bros., Inc.

Mr. Vernon Humber, attorney representing D. C. Miley, Jr., Trucking and Excavation, requested and received permission to address the Members. Mr. Humber indicated that his client was in front of the building specified in the bid package documents at 1:56 p.m., walked into the building, and was informed bids were being received in another building. He met a member of the staff carrying the box and the bid was received by that representative. The bid was \$8,000 lower than the others. Mr. Humber indicated that after the bid was received the representative went to another building and announced the closing of the bids. The locked bid box was opened and it was determined that the Miley bid was the lowest one. Mr. Humber alleged that the representative remarked that the bid was a good bid, and therefore he believed that since the bid was received and allowed to remain in the bid box that the bid had been accepted. He indicated that the bid forms provide the representative with authority to waive any formalities when it is in the Agency's interest to do so. Mr. Humber stressed his belief that the bidding was not closed until the representative announced it after 2 p.m. He also indicated that there had been another complaint about the bid and that was that Mr. Miley was requested to name his subcontractors. He believed this was unnecessary because he was a general contractor himself and not required to name subcontractors when he planned to do the work himself. Mr. Humber indicated his client was prepared to pursue his rights.



NEW BUSINESS (continued)

Agency General Counsel Edwards indicated that the facts as stated by Mr. Humber were not those that were given to him and that he had an affidavit from the bid officer, Mr. Rafael Liberato, Associate Civil Engineer, attesting to those facts. The bid was deposited into the locked box at 2:03 p.m. after the bids had closed at 2 p.m. which was the advertised time stipulated in the bid documents. Mr. Edwards noted that it was an unusual question and there did not appear to be a great deal of law on the matter. He was at a loss to understand how Mr. Miley was told that the bids were being accepted after the bidding was stopped. He stressed that in order not to give an unfair advantage to the other bidders, a time for bid closing must be fixed. Mr. Humber reiterated that the bid officer, Mr. Liberato, had accepted the bid and inquired why if bidding had been closed, it was accepted.

Chairman Kaplan indicated that Mr. Liberato was present.

Dr. Williams inquired of Mr. Liberato when he ceased to receive bids into the box, and if in fact he proceeded first to the other office, or if he were stopped, and also why he allowed the bid to be placed in the locked box. Mr. Liberato reported that at approximately five minutes before 2 p.m. he phoned to verify the exact time. At approximately 30 or 45 seconds past 2 p.m. Mr. Liberato indicated that he announced before the staff present that it was past 2 p.m. and therefore the bidding was closed. At that time he picked up the box and proceeded down to the building where the bids were to be opened. He was carrying material in one hand and had grasped the box by its opening in one hand only. He met a representative of Mr. Miley who inserted his envelop into the opening of the box. Mr. Liberato indicated that at that time he did not speak and proceeded to the bidding room and opened the bid box, reading all the bids. He did not believe he had the authority to reject any bid but opened and read all the bids, and reported to his superior officer the incident involving the lateness of the Miley bid.

Mr. Rothenberg indicated that the real issue was not the savings of \$8,000 as Mr. Humber had indicated but that the point was to be certain contractors' confidence in the Agency was not undermined. Mr. Edwards affirmed this indicating that the question was one of fact. He noted that Mr. Miley called before the meeting and made the same statement as first given by Mr. Humber which differed from his earlier letter of protest. Discussion followed on the procedure customarily followed in receiving and opening bids. In response to Mr. Edwards's question, Mr. Liberato noted that a representative of the Miley firm had been in the building before that day and knew where the bid box was. Mr. Edwards inquired if all the other bids were in the particular box in question, and Mr. Liberato replied affirmatively indicating that they were put in earlier. Mr. Rothenberg suggested that this item be held over and Chairman Kaplan indicated it would be held for one week. Mr. Humber requested that his client be furnished with any certificates or copies of information on this matter.

- (n) Resolution No. 162-76 intention to approve an amendment to contract between the Board of Administration of the Public Employees Retirement System and the Redevelopment Agency of the City and County of San Francisco.

This action concerns the second of a three-step process in amending the Public Employees Retirement System contract to provide for a five percent automatic cost of living increase for retired members. The present rate is 2 percent, and the proposed increase would cost the Agency \$114,000 annually. Ms. Blomquist inquired if this were previously approved by the Members, and Dr. Williams asked



minutes of a Regular Meeting, August 31, 1976

NEW BUSINESS (continued)

if it applied to all retired staff, and Mr. Evans replied affirmatively to both questions.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

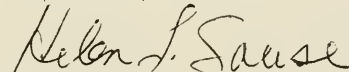
Dr. Williams indicated that he had been a resident of Western Addition A-2 for eighteen years and was instrumental in the organization of WAPAC, as well as twice serving as its chairman. He noted his pleasure in the progress being made and in serving the community.

Chairman Kaplan announced that after adjournment of the meeting, refreshments would be served.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Dr. Williams, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in dark ink, reading "Helen L. Sause". The signature is written in a cursive style with a large, prominent "H" and "S".

Helen L. Sause  
Assistant Agency Secretary



STATEMENT OF WALTER F. KAPLAN ON THE JAPANESE CULTURAL AND TRADE  
CENTER FLAG AWARD

Earlier this year, the American Revolution Bicentennial Administration cited San Francisco as "the best example of renewal in the country."

In doing so, the Bicentennial Administration bestowed honors on four particular redevelopment projects in the city: Diamond Heights, Hunters Point, Golden Gateway, and the Japanese Cultural and Trade Center.

In singling out the Japanese Cultural and Trade Center, this is what the Bicentennial Administration had to say:

"A Japanese-American community had been part of the area known as Western Addition since the turn of the century. Moved into security camps during World War II, the Japanese-Americans returned to a deteriorating physical neighborhood and a fragmented community. There was an obvious need for economic and symbolic revitalization, and by 1960 the reinvigorated community was able to work with the city to build a Japanese Cultural and Trade Center.

"The Japanese Government was a financial partner in this first ethnic cultural and trade center to be built under redevelopment in this country. The \$15 million Center, completed in 1968, is styled in the Japanese idiom, restaurants, tea houses, baths, stores, galleries, and shops are a busy focus for visitors and for the Japanese community.

"A Peace Pagoda, designed by Yoshiro Taniguchi, is a proud new landmark for the city and a signal to all Japanese-Americans that Japan Town is alive and well in San Francisco."



That is what the American Revolution Bicentennial Administration had to say about the Japanese Cultural and Trade Center. I might add that the Center was one of only 200 developments throughout the nation picked for this bicentennial honor.

And so it is with great pride and satisfaction that I can now present the official Bicentennial flag commemorating this important honor, on behalf of the United States Government, to Noburu Nakamura<sup>\*</sup>, representing the Japanese Cultural and Trade Center.

\* Principal in VanBourg, Nakamura and Associates and Master Planner of the development.



A STATUS REPORT TO AGENCY MEMBERS

August 31, 1976



August 30, 1976

## WESTERN ADDITION A-2 STATUS

Although the A-2 Renewal Project was approved by the Board of Supervisors in October 1964, the start of the project was delayed until June 1966 because of Proposition No. 14 which purported to allow discrimination in housing. Once this cloud was removed in 1966, the project was funded and went into execution. Accomplishments since that time are:

1. 95.1% of the parcels to be acquired have been purchased. (992 out of 1043).
2. 93.2% of substandard structures identified by the plan have been demolished. (963 out of 1,033).
3. 1,731 families with relocation benefits and assistance have been rehoused or otherwise removed from the workload; this represents 94.9% of the total family workload. (1,824).
4. 2,529 single-person households have been rehoused; this is 93.7% of the total to be moved. (2,698)
5. 1,048 businesses have been relocated or otherwise removed from the workload (91.5% of a total of 1,145 businesses).
6. 57 2/3 acres of land have been sold, mainly to non-profit sponsors; this is 55% of the total to be disposed of for new development. Residential 45.5 AC., Commercial 4.6AC, Institutional 5.1 AC and Public 1.3 AC.
7. 2,217 units of middle and low income subsidized housing, both rental and cooperative ownership, have been completed, this is 90.8% of the total 2,442 units planned.
8. An additional 225 units of subsidized middle and low income housing is funded and in late stages of design and permit issuance, with early construction starts anticipated. In January 1976 HUD advertised for development proposals for 90 units of subsidized Section 8 senior citizen housing in all of San Francisco. All 90 units of San Francisco's allocation of these Section 8 units plus an additional seven were captured by developers for the Western Addition, Nimiki Associates, 29 units and Sutter apartments, 68 units. These 97 units are in addition to the 225 units for a total of 322 to be constructed.
9. 191 units of new market rate housing (14% of the total planned) have been completed. Katsura - 42 units on Sutter at Webster, Yatsu-Nami - 36 units on Bush near Laguna, Sakura - 58 units on Webster between Bush and Sutter, Asagiri - 23 units on Sutter between Laguna and Buchanan, 12 units on the north side and 11 units on the south side of Sutter between Franklin and Gough, Sakurai - 6 units on Bush between Webster and Buchanan, and four units for the owners of four commercial buildings on the Nihonmachi Mall.



10. 4 office buildings have been completed; one seven-story, Bay Area Pollution Control District, one four-story, ILWU, and one three-story, San Francisco City Employees Credit Union and one medical office building at Sutter and Franklin Streets. Bay Area Pollution Control District is presently expanding its facilities.
11. The first phase of a multi-million dollar expansion of the College of Podiatric Medicine has been completed.
12. Three replacement churches have been completed, Uptown Church and Bethel A.M.E. Church, New Liberation Church, and one under construction (First Union Baptist).
13. Lodge facilities for the Eastern Star Lodges are complete and occupied.
14. The Japanese language newspaper, the Nichi Bei Times, is in its new office and plant facilities.
15. In the Nihonmachi; eight commercial structures, many with dwelling units above, are completed. The National Headquarters of the Japanese American Citizens League has been completed. Christ United Presbyterian Church, with its Community Center (Sturge Building) and Konko-Kyo Church are completed and occupied. Four additional commercial structures are under construction. The 120 unit hotel (Kyoto Inn) has been completed. A 40-land bowling alley has been completed. The Bi-lingual Japanese newspaper, Hokubei Mainichi, has begun rehabilitation of its new facilities. 165 units of market-rate housing has been completed. The Nihonmachi Pedestrian Mall has been completed. The first half of the shared off-street parking, 41 spaces, is near completion. Some thirty-one properties are being retained by their owners. They include the Kinmon Gakuen, the 1830 Sutter Street YWCA, and several business buildings as well as a number of residential buildings with 86 dwellings; twenty of these buildings containing 64 dwellings have been rehabilitated.
16. Final arrangements are in process to convey a property (1/3 of a block with a 30,000 square foot building) to the San Francisco Art Commission for rehabilitation and use as a neighborhood cultural center.
7. Approximately 80% of overhead utilities have been undergrounded in the streets of the project, both boundary streets and interior streets.
8. Four blocks of a City street have been closed and converted to open and recreational space adjacent to 1,123 units of middle and low-income subsidized housing.
9. Five mini-parks have been completed.



20. Rehabilitation of structures identified in the plan has been 35% completed. This rehabilitation was financed in the following manner: \$2,570,533 obtained under the Federal 312 Loan Program (interest at 3%) supplemented by grants totaling \$30,095 to low income home owners in the project area, and \$3,401,962 through private market rate financing. Thus far, the total rehabilitation investment has been \$6,002,595. Eleven units are in the process of being rehabilitated for a total cost of \$456,780. There are two (2) loans in process for rehabilitation, one is a Section 312 for \$279,000 (20 units) and the other is a Bank of America loan for \$70,311 (a 2-unit Victorian landmark which was moved to 1840 Eddy Street). By the end of 1976 and additional eleven (11) buildings containing one hundred twenty nine (129) units are expected to be bid or under contract for a total estimated rehabilitation cost of \$1,244,000.
21. Architectural design for the John Swett School-Community facility is in process with preliminary plans approved and work proceeding with construction drawings.
22. Official Redevelopment Plan changes have been approved by the Board of Supervisors.
23. The total of private investment in the renewed Western Addition to date is \$73,978,000.00 exclusive of land. The private investment in land to this date is \$3,267,094.00.

Most of the costly and inconvenient acquisition, relocation and site preparation activities are completed. There is healthy progress toward the creation of a new community environment in the renewed Western Addition.

*[Handwritten signature]*



76  
MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF SEPTEMBER 1976

Members of the Redevelopment Agency of the City and County of San Francisco met a regular meeting at 939 Ellis Street in the City of San Francisco, California 3:30 o'clock p.m. on the 7th day of September 1976, the place, hour, and date duly established for the holding of such meeting.

Chairman called the meeting to order and on roll call the following answered sent:

Walter F. Kaplan, Chairman  
Dian Blomquist  
Alan E. Rothenberg  
Dr. Hannibal Williams

the following were absent:

Stanley E. Jensen, Vice Chairman  
Joe Mosley  
James A. Silva

Chairman declared a quorum present.

Mr. F. Evans, Executive Director, and staff members were also present.

Those present were Mrs. L. M. Ransom, Univista.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that the minutes of the Regular Meeting of August 31, 1976, as distributed by mail to the Members, be approved.

UNFINISHED BUSINESS

- (a) Resolution No. 160-76 awarding Site Improvement Contract No. 16, India Basin Approved Redevelopment Project Calif. R-III.

This item was held over from the August 31, 1976 meeting for further legal review and concerns award of Site Improvement Contract No. 16 to the lowest responsible bidder, Munkdale Bros., Inc., for \$180,939 to provide the India Basin Industrial Park entrance sign, adjacent landscaping, and curb and gutter work. Agency General Counsel Tilden H. Edwards provided his written opinion and recommendation to the Members. Mr. Evans indicated that three options appeared to be available to the Members, as follows: (1) reject all bids, (2) award the contract to the low bidder, D. C. Miley, Jr. Trucking and Excavation, by waiving the defect in the bid declaring it to be of minor nature, and (3) award the contract to Munkdale Bros., Inc. as the lowest qualified bid conforming to the specifications. It is the recommendation of staff based on the opinion of Mr. Edwards, after review and analysis, that the Miley bid was not a legal one and was submitted after the bidding was declared closed. Therefore, it is most appropriate that the Munkdale firm be awarded the contract.



FINISHED BUSINESS (continued)

Mr. Rothenberg indicated he had reviewed the information sent to him and that the Miley bid was submitted late according to the rules. He believed Munkdale Bros., Inc. should be awarded the contract and recommended that in the future biddings that the room number be listed to prevent anyone from claiming that they went to a wrong room.

Dr. Williams requested that the opening in the bid box be sealed so that after the box was locked nothing could be inserted.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 156-76 awarding Demolition and Site Clearance Contract No. 18, India Basin, to Charles S. Campanella.

This item was also held over from the last meeting and concerns award of Demolition and Site Clearance Contract No. 18 in India Basin to the lowest of four bidders, Charles S. Campanella, for \$3,170 to demolish two vacant buildings adjacent to the Galvez Playfield.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 151-76 awarding Demolition and Site Clearance Contract No. 44, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to Nor-Cal Demolition, on the basis of the low bid received and authorizing the Executive Director to execute same.

This was held from the last meeting and concerns award of Demolition and Site Clearance Contract No. 44 in Yerba Buena Center to Nor-Cal Demolition for \$3,200 to demolish a one-story vacant commercial building, located on one of the TODCO housing sites.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

BUSINESS

- (a) Resolution No. 163-76 rejecting claim of \$2,964.95 of Tokuo Mikao, Western Addition A-2 Project Area.

This concerns rejection of a claim from Tokuo Miyao, an Agency tenant, for \$2,964.95 to cover losses resulting from a burglary of his residence. Mr. Evans indicated that the tenant alleged that the Agency did not provide adequate security, however after analysis by the legal division there appeared to be no liability in this case. Mr. Evans presented a brief background on the settlement of claims against the Agency in cases where there is culpability on the part of the Agency, for example, where damages have resulted due to water damage.

Mr. Edwards indicated that in his opinion there was no legal liability in this case, and in response to the inquiry of Mr. Rothenberg indicated that the tenants alleged there were no guard screens on the windows. Mr. Edwards noted that this tenant had had two previous break-ins and on that occasion the Agency had made repairs but did not provide guard screens for the windows, although the tenant claims this should have been done. The Agency subsequently did provide such a



BUSINESS (continued)

screen even though there is more legal duty to provide this by the tenant than by the Agency.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 165-76 approving work order for building inspection services for the Bayview-North Survey Area.

This concerns a work order with the Department of Public Works for building inspection services for \$6,000 for one inspector to work approximately 400 hours within the next sixty days on the Bayview-North Survey Area. An inspection of 190 structures is contemplated to determine their suitability for rehabilitation treatment. Meetings have been held in the community and it was decided by the residents that they wished to rehabilitate their structures and this analysis will indicate which buildings are to be retained.

Dr. Williams indicated that at the last meeting Mrs. Marv Rogers of the Western Addition Project Area Committee (WAPAC) had indicated the community's dissatisfaction with building inspection services and she had requested that some attention be focussed on this matter. Mr. Evans indicated that he had considered the matter and noted that there were two problems: (1) the inspection in terms of writing up the deficiencies for retention buildings were too strict, then the buildings were economically infeasible to repair; and (2) the adequacy of inspections during new construction when there were several different inspectors involved who each have only partial authority. The primary problem is not in that they are not doing their job but that they do not have full authority. These include inspectors from the Federal Housing Administration (FHA), City Departments, architects, and the Agency, but it appears that the FHA inspector has the most authority. Another factor in the quality of construction is that often contractors get into financial difficulties and the work is not done properly. Mr. Evans believed the fault lay with the FHA and there have been meetings with them to discuss this problem. FHA claims it is understaffed.

Mr. Rothenberg inquired if the Agency had considered having a full-time inspector from the City who would be responsible to the Agency for the quality of work. He expressed concern that there was major construction, such as Yerba Buena Center, yet to be done and suggested that the Agency would be wise to have an inspector who was loyal to the Agency. Mr. Evans indicated that he would look into this, however since the Agency does not have authority to stop any work, having an Agency inspector might be of limited benefit. He commented that the FHA approves every progress payment, therefore it could be the most instrumental in improving the quality of inspection. In rehabilitation work, however, the Agency has more control since it arranges its own loans. Discussion followed on the merit of not proceeding with the work order being considered but Mr. Evans indicated that the services for Bayview-North were needed now, and the mechanism to improve the level of inspection would take some time to develop. In reply to Ms. Blomquist's question, Mr. William G. Waterhouse, Director of Architecture, Housing, Construction, Rehabilitation and Urban Design, and Mr. Earl Mills, Deputy Area Director of Hunters Point, indicated that the building inspectors were needed basically to evaluate the rehabilitation feasibility. Chairman Kaplan noted that a project in the survey phase had a different approach from an on-going project with construction already in progress.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.



BUSINESS (continued)

- (c) Resolution No. 150-76 authorizing write-off of certain delinquent rents due, Yerba Buena Center, Western Addition A-2, Stockton/Sacramento, Hunters Point, and India Basin.

This concerns rent write-offs for Yerba Buena Center of \$5,569.83; Western Addition A-2, \$5,800.20; Stockton/Sacramento, \$872; and Hunters Point, \$368.53, totaling \$12,610.56. By way of background Mr. Evans explained that in conformance with the Department of Housing and Urban Development (HUD) and Agency policies, write-offs are recommended as an accounting procedure when (1) the probable cost of collection is not worth the effort, (2) there are a number of cases in which collection would impose an undue hardship on the tenant, and (3) the rents are uncollectable. The Agency's overall rent collection remains in excess of 90 percent. He noted that these accounts will still remain with a collection agency and the Agency may receive payments on them in the future.

Chairman Kaplan inquired about the nature of the two cases in Yerba Buena Center, and Mr. Arnold Baker, Director of Central Relocation Services, indicated that these were clients who had at that time received 30-day notices and because of the court injunction were told the Agency could not contact them nor receive rents. The rent was never paid and the Agency could not collect so there is no prospect of getting it now. Dr. Williams indicated that where there is a hardship case and rents were written off, he did not understand why the cases were turned over to a collection agency. Mr. Baker replied that the hardship cases were not placed with collection agencies.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 166-76 authorizing the Executive Director to enter into a contract with the City and County of San Francisco for use of Department of Labor Funds authorized under the Comprehensive Employment and Training Act of 1973.

This is in relation to a Comprehensive Employment and Training Act of 1973 contract which the Agency entered into with the City and County of San Francisco involving the use of Department of Labor funds for employment of San Francisco residents qualifying under this Act. This would formalize operating procedures specifying the obligations of the Agency and City in executing the program for the period from July 1, 1976 through December 31, 1976 and obligate \$192,385 to the Agency from the Department of Labor for that time. Mr. Evans indicated that currently the Agency has a total CETA staff of 40 persons, with 19 field conservation aides and the other 21 positions serving in various capacities. Mr. Evans also noted that part of this money had already been used up since this was September and that the continuation of the program after December 31, 1976 would be dependent upon funding by Congress.

Ms. Blomquist inquired how people were recruited, and Mr. Evans replied that in the area of the field workers, it was done in connection with Laborers Local Union 261. A specified number of people were selected from the community, and the other employees were recruited through the Mayor's Office of Manpower. Mr. Wilbur Hamilton, Deputy Executive Director, reaffirmed that applicants were interviewed by regular personnel procedures after initial screening by the City, except for the laborers. The agreement concerning the laborers specified that half of the applicants were from the City Office of Manpower, a quarter were from the community, and the remainder from Local 261. Mr. Evans inquired if the State Department of Human Resources had made any referrals, and Mr. Hamilton replied affirmatively.



BUSINESS (continued)

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 157-76 travel authorization.
- (f) Resolution No. 155-76 travel authorization.

Mr. Rothenberg suggested that these two resolutions be considered together. The first item concerns a request for Mr. Arnold Baker to travel to Washington, D.C. for a meeting with staff of HUD and the National Association of Housing and Redevelopment Officials (NAHRO) on September 13 to 14, 1976 to discuss the proposed changes in regulations affecting business relocation, which are potentially detrimental to the Agency's program. The Agency prefers that the changes not be made because it presents a problem to cases still in the workload. The second item concerns travel for Mr. Quintin J. McMahon, Director of Real Estate/Marketing and Business Development, to travel to the Los Angeles area September 16 to 17, 1976 to inspect and tour the Irvine Ranch Industrial Park developments and to attend a one-day seminar presented by the American Institute of Real Estate Appraisers. While in Los Angeles Mr. McMahon will also contact the attorney of a property owner in Yerba Buena Center regarding consent to a street vacation.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that these resolutions be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 168-76 amending Resolution No. 107-76 adopted June 15, 1976 establishing classifications and compensation schedules for Agency staff.

This concerns amendment of the salary resolution to provide a position comparable to the City position of "8207-Building and Grounds Patrolman" at Salary Schedule No. 27.6, with a salary range from \$372 to \$446 biweekly, or \$9,672 annually. The classification will be known as Security Guard and will cover watchman duties in the Hunters Point wartime barracks-type housing in the Ridgepoint area of the project. These watchmen will provide the special security needed while tenants are moved into eleven buildings during the next six to eight weeks. These on-site moves are for tenants who will ultimately move into the Phase II housing. The position of Watchman is anticipated to be needed for a period of from sixty to ninety days. In reply to Ms. Blomquist's question, Mr. Evans indicated that approximately five persons would be hired for the position. Mr. Rothenberg inquired how they would be hired, and Mr. Evans indicated the position would be advertised. Discussion followed on the alternative of hiring the San Francisco policemen and Chairman Kaplan indicated that the need arose as a result of cancelling the security guard contract for lack of insurance. At that time the Police Department indicated it would provide the same protection in Hunters Point as elsewhere. Mr. Evans indicated that the process for awarding a security guard contract consumes about six weeks and watchmen were needed immediately. Dr. Williams indicated that the history of turmoil in connection with the security guard contract this short-term need was preferable to getting involved in that pressure. Mr. Rothenberg commented that if the people in the area could take on greater responsibility for project security this money could be better spent on housing. In response to the Members' questions, Mr. Hamilton indicated that it was stipulated that guards from K & B Guard Service would be ineligible to apply for the position. In reply to Ms. Blomquist's question, Mr. Evans indicated that the personnel department would hire the individuals



TERS NOT APPEARING ON AGENDA (continued)

at the central office.

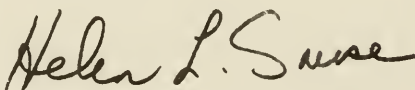
ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

Chairman Kaplan requested that salary information be sent to the Members showing the title of the positions listed.

JOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in dark ink, reading "Helen L. Sause". The signature is written in a cursive style with a large, prominent "H" and "S".

Helen L. Sause  
Assistant Agency Secretary



76  
MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF SEPTEMBER 1976

Members of the Redevelopment Agency of the City and County of San Francisco met a regular meeting at 939 Ellis Street in the City of San Francisco, California 3:30 o'clock p.m. on the 14th day of September 1976, the place, hour, and date duly published for the holding of such meeting.

Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman  
Dian Blomquist  
Alan E. Rothenberg  
Dr. Hannibal Williams

the following were absent:

Stanley E. Jensen, Vice Chairman  
Joe Mosley  
James A. Silva

Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Those present were Arnold G. Townsend, Western Addition Project Area Committee (WAPAC); Albert A. Borissoff, Nor-Cal Security; Floyd Hollowell, Duber Industrial Security; W. Curry, Pinkerton's Inc., Reverend L. V. Wade, Baptist Church; W. D. Ellington, Ellington Patrol Service; Henry Gage, Albert's Patrol; and Norman Jackson, Cal State Patrol.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of September 7, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The San Francisco Planning and Urban Renewal Association (SPUR) is conducting a bus tour of the Hunters Point and India Basin project area on September 22, 1976 from noon until 1:45 p.m., and the Agency is providing guides to explain the projects. Mr. Evans indicated his pleasure in seeing an organization take time to recognize the significance of the projects and noted that both were beginning to show major progress toward completion.
- (b) Mr. Evans noted that there were two ballot propositions both concerning the Agency. The first, Proposition S, is in connection with Yerba Buena Center and is one recommended by the Mayor's Select Committee on Yerba Buena Center.



PORT OF THE EXECUTIVE DIRECTOR (continued)

The Declaration of Policy states: "Shall the City construct a convention exhibit hall at Yerba Buena Center using a four percent hotel room tax to finance lease revenue bonds underground if financially feasible, otherwise above ground?." This will give the people of San Francisco an opportunity to express their views on Yerba Buena Center. It is hoped that a 50 percent favorable vote will be received on this badly needed facility. It is also hoped that the design will be of good quality compatible with the proposed rebuilding the area. There will be no cost to the taxpayer since four percent of the hotel tax generates \$7 million annually and will support a bond issue of \$80- to \$85 million providing \$70- to \$75 million for construction funds. Mr. Evans commented that the Agency was disappointed to learn that two people from the Mayor's Select Committee for Yerba Buena Center had signed the argument against Proposition S. He stressed that the Mayor was strongly supportive and that a favorable vote is essential to move this aspect of the project ahead.

The second proposition, Proposition Q, results from a recent State Supreme Court decision and relates to two housing financing bills, the California Housing Finance Agency, and SB 99. Mayor George Moscone sponsored the former when he was in the Senate and Senator Milton Marks sponsored SB 99 which authorizes the Agency to borrow and loan money for housing construction. The Supreme Court decision requires a referendum for all housing except market-rate. He noted that there is a need for low-income housing for both rentals and co-op's and San Francisco will be severely affected unless it can develop this type of housing. Mr. Evans explained the potential use of both CHFA and SB 99 in detail, adding that SB 99 would be of particular help in building units in Hunters Point, Western Addition A-2, and Yerba Buena Center.

Ms. Blomquist inquired about an opposition argument to the ballot proposal for Proposition S, and Mr. Evans answered affirmatively, noting that it was misleading because it referred to public housing. Ms. Blomquist inquired about who had signed the opposition argument, and Mr. Evans indicated that he believed it was a Mr. Joseph Lee. In answer to Chairman Kaplan's inquiry, he noted that if the voters do not approve the Yerba Buena Center measure, the exhibit hall cannot be built; however, development on the private sites will proceed with private capital.

BUSINESS

- (a) Resolution No. 171-76 authorizing the Executive Director to enter into a contract for security guard services in the Western Addition Area A-2.

This concerns staff recommendation of the award of a contract for security guard services for Western Addition A-2 to the lowest of ten bidders, Cal State Patrol, to perform basic services at a cost of \$43,712 and on-call services at \$37,120, for a total contract not to exceed \$80,832, for a period of one year. Mr. Evans noted that Agency property in the area had to be protected and this year's contract represents a reduction in the present level of service from a two-man patrol 24 hours a day to a one-man vehicular patrol 16 hours a day, excluding holidays and weekends, to limit vandalism and illegal salvage activities. The contract also provides for a security officer in the site office to control difficult situations which is consistent with the present contract. An additional 8,000 hours of security services are provided in the contract to be used on an as-needed basis in emergency situations, which is also consistent



BUSINESS (continued)

with the present contract. Mr. Evans indicated that last year's contract, which expires September 19, 1976, was \$106,424, with \$83,238 expended to date. In evaluating the proposals the bid amount, the firm's affirmative action program, experience, and capacity to provide satisfactory guard service were considered. Project-based firms were given preference where the bid was within 15 percent of the low bid, and in this case Cal State Patrol was both the low bidder and an area-based firm which had done a creditable job in providing guard services from September 1973 to September 1975. Albert's Patrol was awarded the contract last year and had also done a creditable job. He noted that Mr. Henry Gage from that firm was present and wished to comment. Mr. Henry Gage came forward and indicated that in regard to the scope of work the figures given by Cal State Patrol were unrealistic and that the work could not be performed for the amount of its proposal. Using only the minimum figures, he alleged that the minimum amount for the work to be done would amount to \$79,923, based on \$3.50 per hour, excluding overhead. Mr. Gage submitted to the Members copies of his cost breakdown for the contract and claimed that some of the work would have to be done without pay by Cal State, suggesting that the service would be inferior.

Reverend L. V. Wade of the Baptist Church came forward and indicated that he had been acquainted with the Gage brothers for over fifteen years and they were of good character. He urged that Albert's Patrol be awarded the contract since their bid was the lowest realistic proposal from a project area firm.

A property manager of a building at 931 Eddy Street came forward and indicated that Albert's Patrol had rendered good service. She noted that after a building had been broken into, Albert's of its own accord had nailed and boarded the window and doors as a security measure until they could be properly secured.

Mr. Gage indicated that in accordance with a new State law he had trained guards in classroom and range training at a cost to the firm of \$2,000 and that the firm had lost money on the contract because they had given extra service. He asked that the Members reconsider staff's recommended award to Cal State Patrol.

Mr. Norman Jackson, President of Cal State Patrol, came forward and indicated that although he was not prepared to offer a cost breakdown, he believed the work could be performed at the figure bid by his firm, which had 209 employees, and that he had never lost money on any job. He indicated that he had submitted a cost breakdown with his proposal.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated his belief that whenever contracts were to be awarded to community-based firms there was always controversy, pitting one black against another. He indicated WAPAC believed that both Albert's Patrol and Cal State Patrol had done satisfactory work and that the bid of Cal State and Albert's had been reversed the previous year. WAPAC had been concerned that Albert's Patrol could make money on the contract. At that time there had been controversy and WAPAC had supported Cal State because of its community involvement and because it was believed Albert's could not come out financially, and this is now borne out. He believed that the Agency should work out a uniform method of dealing with bids so there would be no further fighting over contracts. Mr. Evans noted the Agency attempts to encourage area-based firms and has in the past developed minimum contract amounts to prevent firms from bidding too low, but in this case both firms are experienced and know the costs better than the staff.



BUSINESS (continued)

He indicated that in this case there should be no difficulty since there was an acceptable area-based low bidder.

Dr. Williams indicated that he was familiar with Messrs. Gage and Jackson and that they were fine people and the firms appeared to have done good work. However, in reviewing the bids submitted, there were three bids less than Albert's Patrol, thus the firm would not be considered in any event. He agreed with Mr. Townsend that firms must be dealt with fairly and noted that the recommended action would do so. A year ago Cal State did not get the contract because Albert's Patrol had a lower bid and he believed that there was no reason to award the contract to anyone but Cal State Patrol in this instance. If Cal State has difficulty performing the contract services then it would be held legally accountable to perform.

MOTION: It was moved by Dr. Williams, that this resolution be adopted. The motion died for want of a second.

Ms. Blomquist questioned the need for an additional 8,000 hours of security service and Mr. Evans replied that occasionally there were incidents that required immediate guard services and on these occasions the need was so urgent that there was no time to contract for them. Mr. Evans indicated that one year the additional hours were used but noted that last year only a portion were used. Mr. Evans indicated incidents which required the use of extra guard service.

Mr. Gene Suttle, Area Director of Western Addition A-2, indicated that 4,500 hours were used last year for such purposes as guarding rehabilitation building sites and building materials and tenant possessions during evictions. Mr. Suttle noted that because of the expected heavy rehabilitation and relocation workload this year additional hours over the 8,000 might have to be requested.

Ms. Blomquist indicated concern by the figures submitted by Albert's Patrol, which alleged that the services could not be provided at the Cal State bid. She indicated that according to information given her Cal State may not have performed as well as Albert's Patrol.

Mr. Rothenberg indicated it was a question of considering valid bids and noted the wide range of bidding; however, since both firms had previously worked for the Agency in a satisfactory manner, he believed that the bids should not be questioned and Cal State Patrol was the lowest bidder. Ms. Blomquist indicated her desire to know more about the matter and asked that it be held over.

Dr. Williams indicated that he was disinclined to hold the matter over noting his belief that the Agency's policy of supporting firms submitting responsive bids should be followed. He added that he had heard nothing derogatory about Cal State Patrol, and that he felt the bid was fair and was made in good faith. If a contract were not awarded, the existing security guard contract with Albert's Patrol would have to be extended and he considered this poor practice.

Mr. Suttle indicated that firms submitting the four lowest bids had been interviewed to verify their insurance and availability of personnel. In considering the performance of the two firms, it is necessary to recall that when Cal State had the contract the construction area was larger and there was more property to be patrolled, thus there were more opportunities for incidents to occur. The staff has the same kind of incidents with Albert's Patrol but to a lesser degree.



BUSINESS (continued)

On balance, Mr. Suttle indicated that both firms had provided satisfactory service to the Agency.

Chairman Kaplan indicated his belief that the Members could not pass over the three low bidders to award the contract to Albert's and that Cal State Patrol had submitted a valid low bid and was an area-based contractor. Mr. Suttle indicated that during the interviews staff tested the validity of the bids but found no grounds to disqualify Cal State Patrol. He noted that the contract specifications were explicit with respect to area-based firms and such firm must be within 15 percent of the low bid considered. Albert's Patrol bid was more than 15 percent above that of Cal State's, therefore a legal problem would arise if Albert's was given the bid.

Mr. Rothenberg indicated that at the last meeting Mr. Wilbur Hamilton, Deputy Executive Director, had indicated that anyone involved with K and B Guard Service would not be considered, and Mr. Hamilton responded that this prohibition was in respect only to the watchmen being put on the staff. Mr. Rothenberg was concerned that some of the bidders were using K and B personnel, but both Messrs. Evans and Hamilton indicated that to their knowledge this was not the case and noted that the K and B firm could have bid this contract. Chairman Kaplan was disinclined to hold the matter over, and Mr. Evans stressed that although under certain conditions a bid could be awarded to other than low bidder this contract specified that an area-based firm would not be considered unless it was within 15 percent of the lowest bid, which Albert's exceeded. Attorney Steven Nord concurred. He noted that Albert's would not therefore be the next low bidder.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, that the security guard services contract for Western Addition A-2 be held over for one week, and on roll call the following voted "Aye":

Ms. Blomquist  
Mr. Rothenberg

and the following voted "Nay":

Chairman Kaplan  
Dr. Williams

and the following abstained:

None

The Chairman thereupon declared that the motion failed.

Mr. Arnold Townsend came forward and indicated his belief that such questioning of bidding firms' qualifications were inappropriate and seemed to occur when contracts for Hunters Point and Western Addition A-2 were being considered. He pointed out that it was the staff's recommendation last year that since Albert's was the low bid that it be awarded the contract instead of Cal State and now this year it is the reverse, which he considered to be a normal result of bidding practice. He also indicated that WAPAC had supported Cal State last year because of concern that Albert's Patrol had bid too low, which he believed had been borne out. He noted his belief that discussion of the K and B Guard



BUSINESS (continued)

On balance, Mr. Suttle indicated that both firms had provided satisfactory service to the Agency.

Chairman Kaplan indicated his belief that the Members could not pass over the three low bidders to award the contract to Albert's and that Cal State Patrol had submitted a valid low bid and was an area-based contractor. Mr. Suttle indicated that during the interviews staff tested the validity of the bids but found no grounds to disqualify Cal State Patrol. He noted that the contract specifications were explicit with respect to area-based firms and such firm must be within 15 percent of the low bid considered. Albert's Patrol bid was more than 15 percent above that of Cal State's, therefore a legal problem would arise if Albert's was given the bid.

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MOTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, that the security guard services contract for Western Addition A-2 be held over for one week, and on roll call the following voted "Aye":

Ms. Blomquist  
Mr. Rothenberg

and the following voted "Nay":

Chairman Kaplan  
Dr. Williams

and the following abstained:

None

The Chairman thereupon declared that the motion failed.

Mr. Arnold Townsend came forward and indicated his belief that such questioning of bidding firms' qualifications were inappropriate and seemed to occur when contracts for Hunters Point and Western Addition A-2 were being considered. He pointed out that it was the staff's recommendation last year that since Albert's was the low bid that it be awarded the contract instead of Cal State and now this year it is the reverse, which he considered to be a normal result of bidding practice. He also indicated that WAPAC had supported Cal State last year because of concern that Albert's Patrol had bid too low, which he believed had been borne out. He noted his belief that discussion of the K and B Guard



BUSINESS (continued)

Service was inappropriate since it was not under consideration in this matter.

Dr. Williams indicated that both Cal State Patrol and Albert's Patrol were experienced and staff had recommended the contract award to the valid low bidder, which was concurred in by WAPAC which represents the community; therefore, he saw no reason to ignore WAPAC's recommendation, or to hold over the contract award. Discussion followed on holding the matter over one week. Chairman Kaplan stressed that legal counsel had advised that the contract could not be awarded to Albert's Patrol. Ms. Blomquist again requested more time to study the matter. Dr. Williams indicated satisfaction with the material provided.

Mr. Rothenberg moved that the item be reconsidered, and Chairman Kaplan indicated his belief that the matter should not be held over.

MOTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, that the award of the contract be reconsidered, and on roll call the following voted "Aye":

Chairman Kaplan  
Mr. Rothenberg  
Dr. Williams

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The Chairman thereupon declared that the motion carried.

ADOPTION: It was moved by Dr. Williams, seconded by Chairman Kaplan, that this resolution be adopted, and on roll call the following voted "Aye":

Chairman Kaplan  
Mr. Rothenberg  
Dr. Williams

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The Chairman therefore declared the motion carried.

- (b) Resolution No. 169-76 awarding Demolition and Site Clearance Contract No. 4, Stockton/Sacramento NDP Project Area A-5-2 to Caldwell Building Wreckers, on the basis of the low bid received and authorizing the Executive Director to execute same.

This concerns award of Demolition and Site Clearance Contract No. 14 in the Stockton/Sacramento project area to the lowest of four bidders, Caldwell Building



BUSINESS (continued)

Wreckers, for \$7,640 to demolish two vacant buildings. Mr. Rothenberg inquired about the Agency guidelines which determined the use of demolition versus rehabilitation. Mr. Evans indicated that based on structural surveys and land reuse proposals, the Redevelopment Plan specifies which structures are to be retained or rehabilitated. The Plan which is approved by the City Planning Commission and the Board of Supervisors requires that every piece of property be either brought up to standard or demolished. In some cases the economy has changed sufficiently to make it now economically prudent to retain some buildings not interfering with land reparation for renovation. The owners do not always wish to retain and rehabilitate the buildings and in those cases the Agency acquires the property. In the Western Addition A-2 area staff is reviewing the Agency-owned buildings as well as structures scheduled for demolition to determine whether there is a possibility of rehabilitating them. Some Agency-owned buildings are then sold to buyers who wish to rehabilitate them. Mr. Evans then outlined the relocation process and noted that this can take up to nine months to accomplish. Since developers are aware that in some cases there have been problems in getting the tenants relocated and that the process of preparing plans and obtaining financing is costly, they are reluctant to proceed on sites which are not clear. Mr. Evans indicated that vacant buildings were hazardous, therefore staff endeavors to demolish them as quickly as they become available.

Mr. Evans noted that generally staff tries to work on sites that are committed to developers as a priority, but also to work on completing the entire project as expeditiously as possible. Another consideration is the cost of maintenance for retaining buildings acquired by the Agency. The Agency retains 70 employees in property management and relocation and it is important to reduce these costs. Mr. Rothenberg asked about the two buildings on the proposed contract, and Mr. Evans indicated that the developer did need the site a year ago but as a result of a condemnation suit was delayed. This was settled in June and this contract award will demolish two hazardous buildings.

Ms. Blomquist inquired about the timetable, and Mr. Evans indicated that there currently is an environmental lawsuit on which an attempt is being made to speed it through the courts. The application for a 236 commitment is being processed by the Department of Housing and Urban Development (HUD) to provide financing for the development and the working drawings are being prepared. Mr. Rothenberg stressed his concern that the housing supply not be diminished. He indicated that he would like information on the considerations given the buildings proposed for demolition.

Mr. Evans indicated that it was the Agency's responsibility to move the projects forward as rapidly as possible to make the land available and marketable. Costs are a significant factor in retention of buildings and he noted as an example the increase in the Agency's insurance.

Dr. Williams indicated that Chinatown was the most densely populated area of the city and there is no space to increase housing without demolition. He recalled that the Chinese people themselves initiated this program five years ago. Mr. Evans concurred, adding that the study had originated from City Planning and the Chinese had asked that the site be made available. Dr. Williams indicated that the housing was for the low-income and the elderly. Chairman Kaplan noted that the action before the Members was the second of a two-step process in the award of demolition contracts. Prior to advertisement the Members are first informed of the buildings to be demolished and the proposed reuse of the site.



BUSINESS (continued)

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 170-76 amending by-laws for the San Francisco Redevelopment Agency with regard to the title of its presiding Members, the use of terms implying a particular gender, deleting references to the Assistant Executive Director for Administration, and the number of Members which constitute a quorum.

Mr. Evans indicated that this was an appropriate time to notify the Agency's by-laws by deleting references to a specific gender, the position of Assistant Executive Director for Administration, and increase the quorum from three to four Members. Also the titles of Chairman and Vice-Chairman are to be amended to read "President" and "Vice-President".

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 164-76 awarding Site Improvement Contract No. 11-A, Hunters Point Redevelopment Project Area NDP A-5, to D. C. Miley, Jr.

This concerns award of Site Improvement Contract No. 11-A to the lowest of three bidders, D. C. Miley, Jr., for \$41,600 to furnish and plant 260 street trees and install tree-well covers on Moderate-Priced Private Housing Sites 4 and 5 in Hunters Point. Each tree cost \$110 and the covers \$65 each. In response to Mr. Rothenberg's question, Mr. Evans noted that the City does not have the capability to provide this service.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

JOURNMENT

It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF SEPTEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met at a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 21st day of September 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Stanley E. Jensen, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Dr. Hannibal Williams

The following were absent:

Joe Mosley  
James A. Silva

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present was Arnold G. Townsend, Western Addition Project Area Committee (WAPAC).

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

#### APPROVAL OF MINUTES

It was moved by Mr. Jensen, seconded by Mr. Rothenberg, and unanimously carried that the minutes of the Special Meeting of August 19, 1976, the minutes of the Executive Meeting of August 19, 1976, and the minutes of a Regular Meeting of September 14, 1976, as distributed by mail to the Members, be approved.

#### SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-A(1), Western Addition Approved Redevelopment Project Area A-2.

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-A(1), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

#### REGULAR BUSINESS

- (a) Resolution No. 172-76 authorizing the Executive Director to enter into a disposition agreement and execute necessary convenience instruments; approving the method of sale, the minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcel 1100-A(1), Western Addition Approved Redevelopment Project Area A-2.



BUSINESS (continued)

This item was the subject of the public hearing just held and concerns disposition of Parcel 1100-A(1) in the Western Addition A-2 to Janes S. Ophuls and Scott Street Associates for \$7,200, or \$2.67 per square foot, for development of an off-street parking area adjacent to their four rehabilitated Victorian units.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 173-76 awarding Demolition and Site Clearance Contract No. 19, Hunters Point, to Myron Demolition and Excavation.

This item concerns award of Demolition and Site Clearance Contract No. 19 to the lower of two bidders, Myron Demolition and Excavation, for \$34,992 to demolish 24 wartime housing structures in the Phase III area of the Hunters Point project as they become vacant.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 174-76 approving and authorizing the Executive Director to execute an interdepartmental work order with the San Francisco Water Department for relocating facilities in the India Basin Industrial Park Redevelopment Project.

This concerns a work order with the San Francisco Water Department for relocating facilities in the India Basin Industrial Park project for \$1,500 to accommodate early development.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 175-76 travel authorization.

This concerns a request for travel of Messrs. Quintin J. McMahon, Director of Real Estate/Marketing and Business Development; Richard F. Marshall, Business Development Specialist; and Joseph Lejarza, Assistant Housing Specialist; to travel to Redding, California in connection with the Agency's formation of a viable Local Development Corporation (LDC) to help provide low-cost financing to potential Bayview-North and India Basin Industrial Park developments. The LDC is a financing vehicle designated to implement the Small Business Administration's 502 loan program. The purpose of the trip is to meet with members of the Redding LDC, which has initiated its development corporation, and to learn how the Agency might create a successful development corporation.

Dr. Williams inquired about the applicability of the LDC as a means of solving the problems of developing the Fillmore Center, and Mr. Evans responded that this was under consideration but it was unknown whether there would be one or more LDC's. There is also the possibility that the LDC would be useful as a vehicle for facilitating retail development, as well as commercial and/or industrial development. Dr. Williams indicated his hope that there would be community involvement, and Mr. Evans indicated that one of the requirements of the LDC was that its board of directors involve and be representative of the community and that the board must consist of 25 members. In addition, there must be some vehicle for raising the required equity capital necessary for securing loans. Dr. Williams indicated he was concerned because many residents of the



W BUSINESS (continued)

Western Addition A-2 community had suffered frustrations in connection with the Fillmore Center for years, and it was his belief that if the LDC is a potential way to give the community some satisfaction and incentive, then he did not wish to pass up any opportunity which would accomplish this goal.

Ms. Blomquist inquired if there was any difference between retail and industrial application of the LDC, and Mr. Evans replied that at this time he did not believe so and indicated that the program should be useful either way.

Mr. Rothenberg indicated that there was a group in Berkeley of leading LDC experts which has published a number of guidebooks showing how to raise capital, and he suggested that it would be worthwhile if someone requested whatever resource material might be available and also talked with them.

Mr. Rothenberg inquired if there were any provisions in the Agency by-laws permitting such items as travel authorizations to be authorized without being brought before the Members. Mr. Jensen indicated that the matter had come before the Members on previous occasions, but because it was their desire to know where expenditures were being made it was decided that all such items be presented for the consideration of the Members. Mr. Wilbur Hamilton, Deputy Executive Director, indicated that travel within the nine Bay Area counties could be authorized by the President.

Dr. Williams inquired if there was anything the Agency could do to assure Western Addition A-2 people that their concerns would be resolved, and Mr. Evans indicated that efforts would be made to broaden the scope of the LDC to see if the program could be used for neighborhood shopping. Mr. Evans also indicated that some months ago an individual approached the Agency expressing an interest in setting up a company that would use the LDC approach. He agreed that it would be worthwhile to ascertain if this could be used for the Fillmore Center. President Kaplan suggested that the staff follow through in obtaining the material from Berkeley mentioned by Mr. Rothenberg.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

(e) Resolution No. 177-76 travel authorization.

This concerns a request for travel for Mr. Richard F. Marshall to meet with architects and engineers of the Perini Corporation in Homewood, California in connection with construction of the Morgan Equipment Company site in the India Basin Industrial Park project. The meeting is necessary for development of the proposed site plan. President Kaplan inquired why Homewood was selected for the meeting, and Mr. Marshall indicated that the architects happened to be working on a project in that area.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

MEMBERS NOT APPEARING ON AGENDA

- (a) Mr. Evans announced with great regret that a letter of resignation had been submitted to Mayor George Moscone by Mr. Jensen. He indicated that Mr. Jensen had served as a Member for nine years and had been instrumental in assisting



TERS NOT APPEARING ON AGENDA (continued)

the Agency in overcoming difficulties and delays in getting the projects underway and in increasing the tax base to the city through the process of redevelopment. Mr. Evans indicated that since Mr. Jensen was also the Vice President, it would be appropriate for the Members to select a replacement.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Rothenberg, and unanimously carried that Dr. Williams be appointed to serve as Vice President.

Mr. Jensen indicated his high respect for President Kaplan and Agency staff and expressed regret that because of his added responsibilities as Directing Business Representative of 18,000 machinists, President of the Pacific Coast District Council of Metal Trades, Vice President of the State Federation of Labor, and Secretary of his International Machinists Union's Committee on Law, that he was no longer able to serve properly as a Member of the Agency. He also indicated that his demanding schedule was his only reason for leaving the Agency, after his having played a part in the development of the Agency's projects, particularly in India Basin, which would produce jobs. He expressed regret also that so many people had been opposed to the Yerba Buena Center project, which he believed would be a beautiful area when it is finally constructed. He asked that the new Members give the Agency staff their support, because they were not opponents but people who were experts trying to do a good job. He also indicated that in his judgment the press had always been fair in its views on redevelopment and had supported the Agency. Mr. Jensen indicated that after having served for so many years, he was leaving with a touch of sadness, but as a citizen in the private sector, he would be rooting for the Agency's success.

Dr. Williams indicated that the Agency and people of San Francisco have had nine years of the best service from Mr. Jensen as an advocate of labor, and Mr. Jensen indicated his desire that the Mayor appoint a labor representative as his replacement. Dr. Williams indicated that a resolution commending Mr. Jensen for his services be presented to him.

Resolution No. 183-76 commending and expressing appreciation to Stanley E. Jensen for his devoted service upon the occasion of his departure as a Member of the San Francisco Redevelopment Agency.

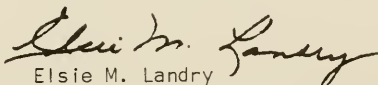
ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (b) President Kaplan announced that the next Agency meeting would be held on Tuesday, September 28, 1976 at 3 p.m. at the Site 4-B Management Building located at 5 Commer Court in the Hunters Point project area.

URNMENT

It was moved by Mr. Jensen, seconded by Dr. Williams, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:05 p.m.

Respectfully submitted,

  
Elsie M. Landry  
Assistant Agency Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
28TH DAY OF SEPTEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Bayview-Hunters Point Apartments, 5 Commer Court, in the City of San Francisco, California at 3:00 o'clock p.m. on the 28th day of September 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg

and the following were absent:

Stanley E. Jensen  
Joe Mosley  
James A. Silva

The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Elouise Westbrook and Julia Commer, Bayview-Hunters Point Joint Housing Committee; Alfred Jackson, Jackson Landscaping; Geneva Eberhart, Street People's Committee; Charles Jones, Diane Jackson, Claude Carpenter, John Christian, Frank Whitfield, and Bertha Freeman, interested citizens.

Representing the press was Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that the minutes of the Regular Meeting of September 21, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Welcoming remarks by Mrs. Elouise Westbrook, Chairperson, Bayview-Hunters Point Joint Housing Committee.

- (a) Mrs. Elouise Westbrook welcomed everyone to Hunters Point and indicated her pleasure at having the people who had worked on the project revisit the area. She was reminded of the time when the late Director, M. Justin Herman, and the Redevelopment Agency first came into the area. People were hostile and had many concerns, however, through the efforts of all concerned much has been accomplished. Mrs. Westbrook hoped that within a few years there would be even more to see.

Mr. Evans indicated that Mrs. Westbrook was entirely too modest, because without the tireless efforts of herself and others, Hunters Point would not have succeeded to its present status.

American Revolution Bicentennial Award

- (b) Mr. Evans indicated that recognition was beginning to be received for the efforts that have been made and the results are now beginning to be achieved. The



SPECIAL APPEARANCES (continued)

Federal Government through its American Revolution Bicentennial Administration has cited Hunters Point as one of the greatest achievements of urban renewal in the country. It was one of six projects to receive notice in San Francisco, and in singling out Hunters Point, the Bicentennial Administration commented, as follows:

"Hunters Point was a community that did not fit the urbane San Francisco image; it was a slum community in a deteriorating ghetto. People lived in run-down shacks and in the old Navy Barracks that had been condemned in 1948. Riots in 1966 nearly destroyed the community. It was at this point that residents' determination to make a community happen pushed the city into a partnership effort. The citizens of Hunters Point and the Redevelopment Agency chose Aaron Green as the prime consultant/architect/planner; by 1969 they had developed a master plan for the new Hunters Point. The master plan, recipient of a 1974 design award from the Department of Housing and Urban Development, represents no less a goal than turning the ghetto-slum into a functioning community. The award cites "phased residential upgrading. . . a thorough and aggressive approach. . . local citizen involvement. . . central to the decision making of the many agencies involved." Today a view of Hunters Point shows a community in transition; one hilly panorama presents a cluster of still-inhabited shacks, some aging housing stock, and some first-stage redevelopment. Several hundred homes have been built, along with new child care centers, a school, a park, and a water system. Federal and city revenue sharing funds support the continuing development of Hunters Point, where residents are determined to see the planning through despite the tougher financial climate of recent years."

Mr. Evans indicated that he was pleased to present the official American Bicentennial flag commemorating this significant honor on behalf of the United States Government to Mrs. Elouise Westbrook, as a representative of the Hunters Point community. Mrs. Westbrook accepted the flag on behalf of the community and indicated that it was a symbol of people striving to make a dream a reality.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3 and 4 and a portion of Parcels 5 and 67, India Basin Approved Redevelopment Project Area.

- (c) President Kaplan indicated that this public hearing would be recessed to October 1, 1976 at 3 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Mr. Earl Mills, Acting Area Director of Hunters Point/India Basin, came forward and expressed gratitude to the Bayview-Hunters Point Credit Union for the use of its building for today's meeting and also to Mrs. Bertha Freeman, Director of the Credit Union.

Mr. Mills, through reference to maps, indicated the activity that had been occurring in the community, such as the new sewage treatment plants, expansion of the LASH terminal of the Port of San Francisco, and the Navy shipyard which will employ many people from the Hunters Point area. Federal TPP grants will provide for modernization of 1,100 public housing units by the San Francisco Housing



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Authority and also development of a State shoreline park along the bay at Candlestick Cove.

Mr. Mills indicated that the Master Plan for the Hunters Point project provided three basic elements which were considered for the Bicentennial award: (1) minimum displacement of residents, (2) comprehensive planning for a new community which would include parks, schools, shopping facilities, churches and child care centers, and (3) a plan which despite the hilly terrain would keep rents at a minimum.

Mr. Mills indicated that the project activities began in 1969 when the first housing sites were prepared. The first developments were Ridgeview Terrace and Jackie Robinson Gardens, which became available in 1972. Unity Homes followed in 1973. Sites 4 and 5 were delayed by the housing moratorium of President Richard Nixon and were not completed until June 1976.

Neighborhood Facilities grants permitted completion of four child care centers and a community center in 1974. Further, a reservoir with a plaza on top of it and a new park were completed in 1973 to serve the new housing. In 1975 the new \$3 million George Washington Carver Elementary School began serving the community.

Mr. Mills pointed out the forthcoming plans for the project, including the approximately 600 units of housing for Phase II and the \$3.8 million site improvements which are to be underway shortly enabling construction of Phase II housing Sites A and B to be completed in 1977. The small recreation areas set aside for miniparks adjacent to Sites 4 and 5 will also be under construction this year. The Agency presently maintains the park areas and is working to ultimately have the City take title and maintain this land. There will be no miniparks in Phase II where all landscaped areas will be maintained by the developer. Construction of the first phase of the Galvez Playfield has commenced and will include facilities for a football, soccer, and softball field. Rehabilitation of 22 single-family homes on Innes Avenue have been completed and lots have been prepared for construction of market-rate homes. In Phase III there will be a market-rate housing development adjacent to the plaza and also some shopping facilities and sites for churches. Subsidized senior citizens housing is also planned near Whitney Young Circle.

Mr. Mills compared the 1935 photograph of India Basin with that of 1967. The former showed most of the area under water and the latter showed extensive auto dismantlers' yards. By 1972 a major portion of the wreckers had been relocated and by 1974, 30 acres were placed under surcharge to compact the sites for construction. In 1975 the surcharge was removed and placed in adjacent areas.

Major site improvements have been completed and currently Site Improvement Contracts 15 and 16 are underway. Also in the design stages is a major contract for the streets for the area north of Evans Avenue. A vigorous marketing program is also underway and the first parcels have been disposed of. Mr. Evans thanked Mr. Mills for his fine presentation. He indicated that most San Franciscans fail to realize how immense the Hunters Point and India Basin projects are and that these are the two largest ever undertaken in the City. He noted that there was \$7- to \$8 million in construction underway now and by the end of the year there will be \$16 million.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

President Kaplan inquired about the Hunters Point freeway and Mr. Mills replied that the Agency has been working with al Trans, the community, and various City entities to relocate the freeway to better serve the needs of the area, but nothing is expected to happen very soon.

NEW BUSINESS

- (a) Resolution No. 181-76 authorizing assignment of partnership interest in the Embarcadero Center, Embarcadero-Lower Market Redevelopment Project Area E-1.
- (b) Resolution No. 180-76 authorizing assignment of partnership interest in the Embarcadero Center, Embarcadero-Lower Market Redevelopment Project Area E-1.

President Kaplan indicated that these two items would be considered together. The first concerns a transfer of interest in the Embarcadero Center from the Stuart M. Crow Trust and the second from the Lucy D. Crow Trust to each of the beneficiaries of said Trusts, respectively, in order to facilitate dissolution of the Trusts. No consideration is being paid for the transfer of partnership interest, under which each of the children owns an 8.83-1/3 interest. Dr. Williams inquired what was the effect of the transfer action. Mr. Evans explained that the disposition agreements identify the individuals who are involved in the development, and every interest of more than ten percent must be named. The law prohibits an individual from selling his interest at a profit until the development is complete to prevent speculation. In this case two of the interests are held in trusts and for reasons of taxation the trustees have decided to dissolve the trust and have the individuals maintain an interest directly in the project. Therefore, this is a disclosure of the change of names of the interests which the Agency's legal staff has determined is not a substantive change.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that these resolutions be adopted.

- (c) Consideration of ratification of staff action concerning the park, mall, and maintenance contract in Western Addition A-2.

This concerns ratification of the cancellation of the park and mall maintenance and weed abatement contract with Jackson's Landscaping and Development Company in Western Addition A-2, as of the close of business September 23, 1976. The account in which funds were deposited for operation of the contract had been placed under a lien by the Internal Revenue Service. The Agency was advised that Mr. Jackson has a tax delinquency of \$7,300 which is in excess of the \$5,400 deposit in the account for operational expenses, and these funds have been seized by the IRS as partial payment against the delinquency. Legal staff is preparing to recover the Agency's funds, and in the meantime staff has assumed control of the contract and supervision of the personnel involved pending a final resolution of the matter. Mr. Evans indicated that the contract was to provide supervision of thirty Comprehensive Employment Training Act (CETA) employees, and since the CETA program has now been extended on a limited basis it was believed that the Agency staff can provide the necessary supervision, thus eliminating the need for the contract and effecting a savings.

Ms. Blomquist inquired if the Agency would hire those persons who would be out of work if the contract terminated, and Mr. Wilbur W. Hamilton, Deputy Executive Director, indicated that some of the field supervisors would be hired by the Agency, particularly those who have had training in landscape maintenance and horticulture. He indicated that the contract could now be more economically administered in-house.



NEW BUSINESS (continued)

Dr. Williams inquired what would have happened in the event that the IRS had not placed Mr. Jackson in this embarrassing position, and Mr. Hamilton responded that the staff had already begun to evaluate the value of continuing the contract.

Mr. Evans noted that a release of the IRS lien had been received indicating that Mr. Jackson had cleared the delinquency. However, he stressed that staff analysis showed that a significant savings could be realized, therefore the recommendation remained that this contract be discontinued and the work done in-house. The savings to be realized was \$90,000 to \$100,000 annually. Mr. Hamilton indicated that even though some of the same individuals would be used, the elimination of Mr. Jackson's services, overhead, and insurance costs would effect the savings. Further, bookkeeping and secretarial costs would also be absorbed by the Agency and the field supervision staff would be reduced from eight to five because fewer CETA employees than the anticipated thirty would be available.

Dr. Williams indicated his concern for the affect of the termination on a minority contractor who has a hard time getting a contract and does not have large cash reserves. Mr. Hamilton indicated that staff had already concluded that the contract should be handled in-house prior to the IRS action, and this proposed ratification of contract cancellation was fiscally sound. Dr. Williams noted that without the IRS action and intervention the Members would have been asked in the future, and he inquired if it were possible to make the termination less abrupt. Mr. Hamilton indicated that the contract provided for termination at the convenience of the Agency and Dr. Williams suggested that the contract be terminated with a sixty-day notice.

MOTION: It was moved by Dr. Williams that a sixty-day notice be issued notifying Jackson's Landscaping and Development Company of contract termination, Western Addition Area A-2; the motion died for want of a second.

Discussion followed on the funds which the Agency had advanced to Mr. Jackson that were seized by the IRS. Mr. Rothenberg noted the need for staff to move quickly to protect the Agency's funds deposited for the firm for work which might not have been done. Dr. Williams commended the staff for moving so quickly in an emergency and expressed concern for the effect on a small contractor. Ms. Blomquist asked if the Agency were now performing the work, and Mr. Evans replied affirmatively. Mr. Rothenberg suggested that the item be held over to allow staff time to further evaluate the matter.

MOTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that ratification of staff action concerning the park, mall, and maintenance contract in Western Addition A-2 be held over for one week.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Rothenberg indicated that he would like to have an opinion from the Agency General Counsel on material regarding the Mount Zion Baptist Church which was forwarded to the Members. Mr. Evans indicated that staff was reviewing the material sent to HUD by Mt. Zion and would report to the Members on the matter.
- (b) Dr. Williams expressed appreciation to Mr. Mills and the staff for the good progress of the Hunters Point and India Basin projects and to Mrs. Westbrook and the community people who had worked to attain the success of the projects.



MATTERS NOT APPEARING ON AGENDA (continued)

- (c) Mrs. Bertha Freeman came forward and indicated concerns about correctional work necessary to close Site 4. She noted that it was her understanding that the Agency engineers were not satisfied because a wall had not yet been constructed and therefore the staff was unwilling to execute the documents necessary to close the project. She alleged that Site 5 had been closed when there were greater problems with the quality of that development. She was disturbed because the problem was identified after the contractor had left the job instead of during construction.

Mr. Mills noted that there was a problem in Site 4a with the drainage of water from the sprinkler system resulting from the installation of the site improvements and grading by the developer and that the water was running into the garage of the adjacent single-family home. He indicated that the responsibility for the problem is being determined and would be dealt with other problems, however, he believed the matter could be resolved. He indicated that he was not knowledgeable as to how Site 5 could have been closed with the problems indicated by Mrs. Freeman. Mrs. Freeman inquired why the corrections had not been made during construction before the contractor left. Mr. Mills indicated that the contractor had the responsibility for the wall and that staff had notified him in writing of the deficiency. Mr. Evans noted as background that the Agency put the walls in to reduce the cost of housing and that the staff was trying to prevent the contractor from being paid off prior to completion of his work. He indicated that the matter was being investigated and a recommendation developed. Mr. Mills indicated that while it was unwise to delay building the wall because of potentially bad weather, the staff first had to determine liability and follow the procedure required by law in correcting the work. Mr. Rothenberg asked that the staff report the solution to the Members at an early meeting.

- (d) Mrs. Westbrook came forward and indicated her concern regarding the quality of the housing construction noting that this has caused problems for the tenants. She stressed that the buildings should have been properly inspected. She also believed that the City should take over the maintenance of the parks in the project area. Mrs. Westbrook expressed concern that because of the manner in which the buildings were constructed, it was only a matter of time before the area would become a slum again, and she urged that the Agency be responsible for seeing that the contractors performed their work properly. Dr. Williams indicated that the Members would investigate the matter.

Mrs. Julia Commer indicated that her concern was that the quality of living was not up to standard and hoped that future developments would not be plagued by the problems previously mentioned. She stressed that people in Hunters Point should not be stigmatized because they lived in the area.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A SPECIAL MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
1ST DAY OF OCTOBER 1976

SAN FRANCISCO  
PUBLIC LIBRARY

The Members of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 1st day of October, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg

and the following were absent:

Stanley E. Jensen  
Joe Mosley  
James A. Silva

The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Judge Leland Lazarus; Alfred Jackson, Jackson's Landscaping and Development Company; H. W. Hall and Robert Hall, Morgan Equipment Company; Robert Berner, Foundation for San Francisco's Architectural Heritage; N. A. Booth and R. A. Bromley, American Telephone and Telegraph Company; Douglas Engmann, Coalition for San Francisco Neighborhoods; Jeni Sellers, Assemblyman Willie Brown's office; and Steven Widel, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Corrie Anders, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3 and 4 and a portion of Parcels 5 and 67X, India Basin Approved Redevelopment Project Area.

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3 and 4 and a portion of Parcels 5 and 67X, India Basin Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) On October 6, 1976 at 7 p.m. the Finance Committee of the Board of Supervisors has scheduled a public hearing on the 1977 Community Development application. Staff is preparing to answer questions at the hearing and will report to the Members on the progress of its approval. Consideration of the application has already been delayed while the Board of Supervisors has been concerned with the City budget and since the Department of Housing and Urban Development (HUD) approval,



REPORT OF THE EXECUTIVE DIRECTOR (continued)

which requires a sixty-day period, is needed by January 1977, staff is concerned about further delays of the application.

- (b) A press conference was held in the Mayor's Office regarding Proposition Q and and State Proposition I. Proposition I represents a bond issue which would raise \$500,000,000 for the low-to-moderate priced housing to be used statewide. Proposition Q would authorize construction of up to 3,000 units of moderate-priced private housing in San Francisco. The Agency would like to see both measures passed, however, it could proceed without the State proposition. The Mayor emphasized that this would be housing for the low-income, elderly, and moderate-income families and would not take land off the tax rolls.

President Kaplan indicated that the following would be taken up out of agenda order.

NEW BUSINESS

- (a) Resolution No. 182-76 approving sale of Parcels 3 and 4 and a portion of Parcels 5 and 67X to Norman Coliver, Trustee for Harold Christopher Morgan, Anne Elizabeth Morgan, and Mary Jo Morgan, and the minimum disposal price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Approved Redevelopment Project Area.
- (b) Resolution No. 178-76 approving the disposition price and granting exclusive negotiating rights to a portion of Parcel 67X in India Basin Industrial Park Project to Norman Coliver, Trustee for Harold Christopher Morgan, Anne Elizabeth Morgan, and Mary Jo Morgan.

President Kaplan indicated that these two items would be considered together. The first was the subject of the public hearing just held and represents sale of 4.7 acres to the Morgan Equipment Company for \$452,000 for construction of its international headquarters building in the India Basin Industrial Park. Mr. Evans indicated that this represented major progress in India Basin since it is the **second** significant sale of land in that area and because it represents a deliberate choice of the Morgan Equipment Company to remain and expand in San Francisco. Construction should start as soon as the earth work is completed. The second item concerns granting exclusive negotiating rights on two adjacent acres at a disposition price of \$152,000 for a one-year period. This area would be used by the Morgan Equipment Company for expansion of its facilities and would provide employment for approximately forty-five more employees.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that these resolutions be adopted.

UNFINISHED BUSINESS

- (a) Resolution No. 187-76 ratifying cancellation of park and mall maintenance, beautification and weed abatement contract with Jackson's Landscaping and Development Company.

Mr. Evans indicated that this item was held over from the last meeting and concerns ratification of the cancellation of Jackson's Landscaping and Development contract, as of September 23, 1976, due to an IRS lien placed upon Mr. Jackson's bank account. The lien has been paid, however, staff recommends



UNFINISHED BUSINESS (continued)

this termination as a result of an analysis which showed that a substantial savings of approximately \$90,000 to \$100,000 can be realized annually if the work is performed by staff. The contract originally was entered into because it was thought that the CETA program would be in effect only one more year, therefore, staff was not geared up to supervise the work, nor did it have the expertise to do the job properly. Since it now appears that the CETA program will continue on a limited basis, it will be more economical to have these employees supervised by staff.

Mr. Alfred Jackson came forward and indicated his appreciation for the opportunity to address the Members. He asked that his apologies be accepted for any inconvenience caused to the Agency in the administration of the contract. He indicated that his contract had been predicated on working with thirty CETA people and since apparently there would be fewer, he wished to submit a new proposal to the Members on the altered basis.

Mr. Evans indicated that at the present time the contract is being administered by staff and acceptance of new proposals had not been considered. Both Dr. Williams and Mr. Rothenberg indicated that their understanding from what Mr. Wilbur Hamilton, Deputy Executive Director, had mentioned at the previous meeting was that the contract could be terminated for convenience and that staff would further evaluate the matter. Mr. Evans indicated that the contract provided for termination and staff evaluation reaffirmed the recommendation to do so. Mr. Hamilton indicated that there had been difficulty initially in obtaining approval for Mr. Jackson as a contract administrator because of reluctance on the part of the Department of Labor in approving a private contractor to supervise CETA personnel. The Mayor's Office of Manpower advised that in accordance with new Department of Labor regulations, it was unlikely such an arrangement could again be worked out.

Mr. Evans indicated this difficulty would relate to any new contract and noted that the option before the Members was to ratify termination of the contract effective September 23, 1976, or to modify the termination for either thirty or sixty days, or to continue the contract until its completion. Staff recommendation was staff could more economically assume supervision of the CETA employees and continue the actions already initiated September 23, 1976. Mr. Evans stressed that this was no reflection on Mr. Jackson, but rather was for the Agency's convenience.

Dr. Williams inquired if it were possible to soften the financial impact of termination on the contractor. Mr. Hamilton indicated that by the terms of the contract the Agency can pay only for services rendered and its rules preclude any form of severance benefit.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

~~President~~ Kaplan introduced Judge Leland Lazarus of the Mayor's Select Committee on Yerba Buena Center who indicated that Mr. Jack Morrison was to appear to present the Committee's recommendations on 9(c).

- (d) Resolution No. 185-76 approving the method of sale for Parcel 3706-R; approving placement of advertising; and making certain findings and determinations in connection therewith, Yerba Buena Center Approved Redevelopment Project Area D-1.



NEW BUSINESS (continued)

This item represents a public offering of the Mercantile Center Building located at the northwest corner of Mission and Third Streets, now occupied by the Rochester Big and Tall Clothing store. The Mayor's Select Committee on Yerba Buena Center, in an effort parallel to other efforts designating the building as a historical landmark, has recommended that the building be preserved. It was originally scheduled for retention in the Redevelopment Plan, however, the owners subsequently determined that it was infeasible to rehabilitate. Therefore, the Agency requested and HUD concurred in the acquisition of the building for approximately \$1.3 million. Recently there have been serious expressions of interest in the rehabilitation of the structure, although in the past the Members have rejected an offering of the building under this proposal. The building would be offered at the minimum price permitted under law, which is the land value, plus 20 percent to compensate for the structure which has no value separately. This is in accordance with the Department of Housing and Urban Development (HUD) formula for such sales for rehabilitation. The staff estimates that the sales price would be from \$500,000 to \$700,000. Mr. Evans indicated that the building would be offered for sixty days to see if proposals are submitted. He noted that this will not preclude future offerings of the building. He noted that staff does question the economic feasibility of the building for rehabilitation. In addition to the request to offer the building, it is requested that up to \$1,700 be provided to cover advertising expenses.

Mr. Robert Berner of the Foundation for San Francisco's Architectural Heritage came forward and indicated that his was one of the groups interested in retaining the building and exhibited sketches on how the structure might appear. He asked for assurance that should a viable proposal for the building's rehabilitation not be received in response to this offering that further opportunity be afforded to explore other development proposals. He noted that the sketches showed how an adjoining building could be used to tie the Mercantile Center Building to the new development of the project.

Mr. Rothenberg indicated that yesterday the Landmarks Board had acted to urge that the structure be preserved. Dr. Williams inquired if the rationale for salvaging the building was for either its historical value or architectural merit. Mr. Berner indicated that the building had architectural interest and a consultant hired by HUD had surveyed the area to evaluate existing structures and this was one of the buildings identified as being of special merit which should be saved. Mr. Rothenberg indicated his belief that the last time the Agency made a determination on this building it was on the general assumption that most of the buildings in the area would be demolished, and that he believed the offering should be made in order to ascertain its viability in the market. He also believed the most appropriate use could then be determined.

Dr. Williams inquired if this action would commit the Members to the rehabilitation of the building, and Mr. Evans responded negatively, noting that it was a solicitation of proposal from which the Members could select one or reject all. Dr. Williams indicated he was mindful of the building at the corner of Fillmore and Post in which an attempt had been made to rehabilitate it, but which after a long time and great expense must now be demolished after all. President Kaplan indicated that he had heard appeals to save the building many times but no one had ever come forth with proposals to rehabilitate the structure. He indicated that he had not changed his mind about the infeasibility to rehabilitate this building.

**ADOPTION:** It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (e) Resolution No. 186-76 affirmation and declaration of intent of the San Francisco Redevelopment Agency to provide off-street parking within the Yerba Buena Center Redevelopment Project Area.

This concerns a reaffirmation of the Agency's intention to provide parking as required for the American Telephone and Telegraph Company building located at the southeast corner of Folsom and Fourth Streets, on which construction is scheduled to start within two to three weeks. Prior to issuance of a building permit the issue of off-street parking must be resolved. According to the Redevelopment Plan, one off-street parking space must be provided per 500 square feet of building floor area; however, in 1975 the Agency and the Board of Supervisors passed resolutions specifying that such parking would be taken care of through the proposed 1,800-space Central Blocks parking garage. It was upon these resolutions that the Department of City Planning issued the permit to construct the Pacific Telephone and Telegraph Company building, but it now appears that the Central Blocks garage may not be constructed and the Planning Department is reluctant to approve any permits unless the Agency indicates its intention to provide in some form the 320 parking spaces necessary to serve the building. The Mayor's Select Committee has recommended that 750 to 1,250 off-street parking stalls be built within the area on the east side of Third between Howard and Folsom Streets to serve such parking needs. The resolution being considered modifies the prior one to conform to the Committee's recommendations. Mr. Evans indicated that it has been the policy of the City to discourage parking in downtown San Francisco, particularly in areas adjacent to major public transit corridors, and it is believed that the area of prohibition should be broadened throughout the project so that in the future there is a possibility that there may be a recommendation to change the Redevelopment Plan and Planning Code to reduce the required amount of parking for office use rather than build a facility for this purpose. This resolution does not preclude these possibilities.

Mr. Rothenberg indicated that other offices provide parking, and Mr. Evans noted that it was preferred that underground parking be provided, possibly under the "theme park". In addition, some 600 spaces must be provided for the apparel mart, as well as some parking for the hotel. In reply to Mr. Rothenberg's inquiry, Mr. Evans indicated that in the original plan for Yerba Buena Center, the Agency had guaranteed provision of parking as part of the public facilities which were to be provided for by guaranteed revenue bonds. Mr. Rothenberg indicated concern that the Agency was being finessed into providing the parking.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 184-76 authorizing assignment of partnership interest in the Golden Gateway Center Project Area E-1.

This concerns transfer of partnership interests of the Alcoa Properties, Inc., a Pennsylvania Corporation which is a general and limited partner in the Golden Gateway Center, to the corporation known as Lot 8, Inc., a Delaware corporation, which is a wholly-owned subsidiary of Alcoa Properties, Inc. for tax purposes. Identity of the parties in control of the redeveloper will not change and there is no effect in terms of Agency dealings.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

President Kaplan inquired about the status of the Golden Gateway Plan change, and Mr. Evans responded that it would be heard by the Board of Supervisors in November after the thirty-day review period of the Department of City Planning. The Golden Gateway developer has eight months after approval of the Plan Change in which to start construction. Mr. Rothenberg inquired if the plan changes affected all three blocks, and Mr. Evans responded affirmatively noting that the change lowered the height limit and density and increased the amount of space for commercial use.

- (g) Resolution No. 189-76 authorizing an amendment to the contract providing for the participation of the Redevelopment Agency of the City and County of San Francisco in the Public Employees' Retirement System, making its employees members of said system.

This represents final approval of an amendment to the contract with the Public Employees' Retirement System to provide an annual automatic cost-of-living increase from two to five percent for retired members. The estimated annual cost is \$114,000.

Mr. Rothenberg inquired how the Agency's system compared to other governmental bodies and noted his understanding that the City and County of San Francisco paid only two percent. Mrs. Jane P. Hale, Controller, agreed that the City pays two percent, but the City's contributions are higher than those of the Agency's. Mr. Rothenberg inquired if the State of California also paid two percent, and Mrs. Hale noted that a recent State law change permitted it to go to three percent and the State hoped to increase to five percent. Mr. Rothenberg inquired about the policies of other Bay Area agencies, and Mrs. Hale indicated she did not have that information at present. Mr. Rothenberg indicated the proposal to raise the City benefits to five percent was rejected by the Board of Supervisors and put on the ballot. He indicated concern that the Agency was raising its benefit level above the City.

Mr. Evans indicated that the City retirement system contribution from payroll was 18.4 percent and the Agency's 11.4 percent, and that there is considerable difference in overall benefit plans. Mr. Rothenberg indicated that he wished to see the employees retire at a reasonable salary but was concerned about the lack of comparability, and Mr. Evans indicated that the Agency is held to a salary schedule comparable to that of the City's but there was disparity in other benefits and suggested that the Board of Supervisors may have rejected the proposal because it was already providing a generous program.

Ms. Blomquist indicated that she wished further information on the matter and asked that it be held over. Mr. Rothenberg asked if this would be an inconvenience and Mrs. Hale responded negatively indicating that the raise would not go into effect until April 1977. Mr. Rothenberg requested an analysis of the Agency and City plans so a comparison could be made. President Kaplan indicated that the item would be held over.

- (h) Resolution No. 188-76 authorizing travel expenses and registration fees for two staff members to attend the National Association of Housing and Redevelopment Officials National Conference in New Orleans, October 10-13, 1976.

This is a request for travel for two staff members to attend the National Association of Housing and Redevelopment Officials (NAHRO) 1976 National Conference in New Orleans on October 10-13, 1976. Mr. Evans indicated that he was a member of the Board of Governors and Mr. Wilbur Hamilton was an elected officer of the Pacific Southwest Region, and that this was an opportunity to deal with HUD



NEW BUSINESS (continued)

and examine major elements of new programs in the areas of city rebuilding, neighborhood conservation, and housing production. President Kaplan expressed concern about the absence of both Director and Deputy at the same time, and Mr. Evans indicated that they appeared to be no impediments; however, it may be necessary to send another staff member. Mr. Rothenberg questioned the need for travel authorizations to come before the Members and suggested that amounts from under \$100 to \$300 be presented to the President or Vice President for approval with reports made on the travel at regular intervals. Mr. Evans indicated staff would review the policy and make a recommendation on it.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Consideration of transmittal of letter to Mayor George Moscone concerning the Yerba Buena Center Central Blocks.

President Kaplan requested Judge Leland Lazarus to represent the Mayor's Select Committee on Yerba Buena Center in discussing the recommendations made by that Committee since Mr. Jack Morrison had not arrived.

Mr. Evans indicated that a letter has been drafted for transmittal to the Mayor indicating the affirmative actions to be taken by the Agency in implementing the Committee's recommendations. Judge Lazarus complimented the Committee members for the devotion, diligence, and extraordinary effort they had made in evaluating proposals for the area and noted that the following recommendations resulted from the study:

1. That the GSA site be included within the project area subject to financial feasibility, because its inclusion would be a definite improvement. The Committee noted that since the Agency does not have eminent domain power over the Federal Government, the purchase must be arranged by negotiation and a source of funds provided.
2. That the Jessie Street Substation be retained as a historical structure, provided a suitable alternate access to the lower central blocks can be developed. Present plans call for retention of a portion of the facade.
3. That the Mercantile Center Building be retained as a historical structure, provided that within one year from the beginning of construction of public facilities that a developer can be found to rehabilitate the building for either institutional, retail, commercial, or adult housing facilities. The present Plan includes the building as a retention structure.
4. That St. Patrick's Church be retained as a historical structure.
5. That the area north of Howard outside the Central Blocks be land banked up to one year subsequent to commencement of the major public facilities to provide land for 400 to 600 units of market-rate housing.
6. That the site for the apparel mart be retained and the current disposition agreement terms be enforced; if there is a failure of performance the site will revert to park use, and failing this, the developer be given aid in constructing the mart across from its present proposed site.
7. That approximately three million square feet of office be built outside the Central Blocks.



NEW BUSINESS (continued)

8. That 750 to 1,250 off-street parking stall be built within the project area for short-term parking.
9. That the agreement with TOOR be endorsed including the site designations and hotel tax allocations, plus any agreement with the Agency for a substitute site and that the site formerly designated for the heating and cooling plant be added to the substitute site, to be selected by TOOR.
10. That the 300 units of subsidized family housing be included within the project area, half of which will be provided for a Filipino barrio.
11. That the exhibit hall be constructed with an underground facility and an urban theme park above; that the Mayor obtain a qualified developer for the park to go on the surface of the two Central Blocks; that an evaluation be made of the cost of depressing the exhibit hall within the four percent hotel tax limitation; and that should the tax not cover such costs that alternatives be fully explored for partially depressing the facility with roof top use on an above-ground facility.
12. That the exhibit hall be located in the block bounded by Howard, Folsom, Third, and Fourth Streets.
13. That should a policy statement on the exhibit hall be approved by the voters, the Mayor take immediate legislative action to increase the hotel tax to eight percent with the present two percent and the added two percent for a total of four percent be reserved solely for the purpose of financing construction of the hall.
14. That the urban park in the Central Blocks be financed in order of preference by (1) a private developer, (b) lease revenue bonds supported by commercial uses within the park, or (c) other appropriate means excluding Proposition J funds.
15. That a pedestrian connection be constructed to unite the three Central Blocks on each side of the blocks.
16. That institutional and community uses be considered for the remaining sites and that a site be reserved for a downtown high school close to the San Francisco Community College campus.
17. That the Board of Supervisors approve the proposed plan change for provision of up to 50 units of market-rate housing on top of the apparel mart.

Judge Lazarus indicated that this concluded the recommendations.

Mr. Rothenberg expressed concern that the Agency was accused of tearing down ghettos, and that now a proposal had been made for construction of housing for a specific ethnic group in the Filipino barrio. He also expressed concern about the suitability of family housing in the area. Judge Lazarus indicated that it was his understanding that the Filipinos had financing for housing which would not be a ghetto but a family-type housing with retail establishments.

Dr. Williams indicated that the whole scheme of family housing was alien to the highly commercial enterprise of the Yerba Buena Center concept and inquired about the rationale of the proposal. Judge Lazarus responded that there appeared to



NEW BUSINESS (continued)

be a demand for such housing, and it would be placed at the southern edge of the project where the climate was ideal in the area which was removed from close proximity to office buildings.

Mr. Evans indicated that the Mayor had asked the Agency to respond to the various recommendations. He commented on the difficult task that the Committee had faced, particularly in becoming familiar with the project area. He indicated that staff was impressed with their ability to understand the issues. Some recommendations can be proceeded upon immediately and others need study, such as the theme park, family housing, and the amount of parking.

Mr. Douglas Engmann of the Coalition of San Francisco Neighborhoods came forward and indicated that he had served on the Select Committee's housing group which believed that a barrier was needed between the commercial area east of Third and the residential area west of Fourth and Fifth Streets, and that the housing to be provided by the Filipino group was the solution. Also, the Committee wanted to preserve the residential character of South Park. The proposed theme park would help provide a shift from commercial to residential. He indicated that the AT&T building jeopardizes the area where the Committee wanted to have residential use. He did not wish to portray opposition to all the Committee's findings but noted that he disagreed with the inclusion of the exhibit hall and was active in opposing the proposition on the ballot for construction of the hall. He also expressed concern about the apparel mart and noted that Mr. Lyman Jee who is developing this building has threatened to sue if there are any changes from the Redevelopment Plan. Mr. Engmann indicated that the Committee learned that if the apparel mart site were moved, Mr. Jee would have to obtain a new Environmental Impact Report which required time. Since Mr. Jee has already put his financing package together, any delay would violate the entire project. Mr. Engmann stressed that a solution would have to be worked out to prevent any litigation. Mr. Engmann asked when the Agency would proceed to implement the Committee's recommendations, and Mr. Rothenberg replied that the Members had already begun by offering the Mercantile Center Building for rehabilitation.

Mr. Evans indicated that this was a matter of concern to the Agency since the formation of the Committee because any changes recommendation could cause changes in relationships with the developers, of whom Lyman Jee was one. He noted that Mr. Jee has six sites of which two are under disposition agreements. The others are in negotiation stages and Mr. Jee has stated that if he suffers a loss he will sue. The staff is evaluating this matter.

Judge Lazarus reiterated that the whole Committee had been a hard-working one and stressed that the comments made today by Mr. Engmann were his own and not those of the Committee. Mr. Evans then read the text of the letter to be transmitted to the Mayor.

MOTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that the letter regarding Yerba Buena Center be transmitted to Mayor George Moscone.

Mr. Rothenberg indicated concern that the residents of Western Addition A-2 and Hunters Point had made a point in regard to the quality control of inspections made on the housing developments and he held staff responsible for inspection of the units. He believed that since HUD and the City appear to be remiss in this respect he requested that staff should become more involved. Ms. Blomquist agreed with these comments. Mr. Evans indicated that



the staff is working on this complex problem and will prepare its recommendations. He noted, however, that part of the problem originated with the inspectors who did not have authority to act. Dr. Williams indicated that the sponsors should be alerted in the beginning that the Agency will not sign off project unless the work is completed properly so that no one will be annoyed or frustrated. He noted that the community looks to the Agency to resolve the problems.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



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REPORT OF THE ASSISTANT AGENCY SECRETARY ON AN ATTEMPTED AGENCY MEETING

OCTOBER 5, 1976

At 3:30 p.m. Acting President Hannibal Williams, Ms. Dian Blomquist, and Mr. Alan Rothenberg were present in the meeting room of the Redevelopment Agency of the City and County of San Francisco and declared that because of the absence of President Walter F. Kaplan, and Members Stanley E. Jensen, Joe Mosley, and James A. Silva the regular meeting would not be held.

The Acting President noted that due to the absence of a quorum, the Members would hear the agenda items for informational purposes only.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present was Welton Flynn, Pyramid Development Company, Inc.

Representing the press were Corrie Anders, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The American Telephone and Telegraph Building escrow closed Monday and construction started on Tuesday.
- (b) Mr. Evans expressed his appreciation to the three members present for coming and expressed the hope that a quorum can be obtained for the next meeting scheduled October 7, 1976 at 11 a.m. in the fourth floor conference room.

NEW BUSINESS

- (a) Consideration of extension of disposition agreement dates for the Pyramid Development Company, Inc., Parcels 726-A and 731-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Evans indicated that Mr. Welton Flynn of Pyramid Development Company, Inc. (PDC) had been requested to present a status report on the progress of the firm's development in the Fillmore Center area. He also noted that PDC met with the Mayor's office on September 23, 1976 and Mr. Flynn gave a brief outline as to the status of the project. Mr. Evans reported that a mailgram had been received from Mr. Flynn just prior to the meeting which requested delay of the Members' consideration of the item until October 19, 1976 to allow PDC's Board of Directors to hold discussions of the matter.

Mr. Flynn, who is President of PDC, came forward and indicated that he would not make any representations with regard to PDC until the Board of Directors had met; however, he would be pleased to respond to any questions the Members might have. His reason for being present was to request that the matter be recalendared.

Mr. Rothenberg asked Mr. Flynn if he could give the Members some insight into PDC's original plan when it first received exclusive negotiating rights, and also where he believed achievement of the plan was today. Mr. Rothenberg



NEW BUSINESS (continued)

commented that PDC must have had many frustrations over the years and he asked what the results of the group's experience was and the viability of commercial uses in the area. He also asked Mr. Flynn to comment on the problems he had run into and insights he had gained.

Mr. Flynn stated that there were others who had tried to develop the seven-block area prior to PDC's involvement. At that time, however, PDC thought that it had the necessary ingredients for a successful development and the area looked like a good buy. He noted that the corporation consists of four people who formed the organization with the aid of a bank and others that provided professional expertise. Mr. Flynn indicated that later two other members came into the corporation. After the corporation was formed the group learned that Montgomery Ward and Company was interested in coming to San Francisco, and after a great deal of work and expense it was thought that the firm would locate as the anchor tenant in the Center. A letter was received, however, indicating that the Montgomery Ward Board of Directors in Chicago could not move forward for reasons of its own. This was a major setback and other factors plagued the development, such as changes in bus routes, fire zoning, and a moratorium on sewer connections. PDC decided that the project might be more viable on a smaller scale, and the Agency continued its negotiating rights on the Western Addition A-2 block area with certain priority for options on the remainder of the area. The group retained Coldwell Banker and Company, which prepared some good studies and put a financing package together on a complex that included commercial with retail on the ground floor. This was submitted to an insurance company which indicated that it would consider a mortgage of 75 percent of the appraised value which would require more equity money. PDC also continued its efforts to secure a major anchor tenant and started negotiations with a bank and a savings and loan. PDC spoke to people in all facets of business, and Mr. Flynn indicated he and his partners had made many trips to national and international shopping center conferences to make contact with potential developers interested in investing in the area, but there was nothing substantial that resulted. Mr. Flynn indicated that PDC is continuing its efforts to put this development together, noting as an example that one of the partners, Mr. Roland Lakes, had just returned from New York in an effort to go forward with this project.

Mr. Flynn indicated that there had been some misunderstanding with the people in the community as to the process necessary to finance a multimillion dollar project which cannot be financed with \$100-a-month tenants, but which needs an anchor tenant to satisfy the requirements of financial institutions. Consideration has been given to allowing people in the neighborhood to participate in the ownership of PDC, but the firm was informed that it could not sell stock without complying first with the Securities and Exchange Commission regulations, nor could it have nonprofit sponsors. Currently, relations of PDC with the Western Addition Project Area Committee (WAPAC) indicate that there is now understanding. Mr. Flynn indicated the great expenditure of PDC's money and effort and the disappointment because its efforts to secure a major tenant had been thwarted. Mr. Flynn indicated that PDC had commitments on about 22 percent of the commercial development space but lacked a viable financing plan. Mr. Flynn indicated his pessimism, but again stressed that this was his personal unofficial opinion. After a meeting of the PDC Board of Directors he would come before the Members with PDC's position.

Mr. Rothenberg thanked Mr. Flynn for his comments and asked him if the possibility of putting together one block of shops would make commencement of development of the area easier. Mr. Flynn responded that a minimum of two blocks was



NEW BUSINESS (continued)

necessary to make a viable development. Dr. Williams asked what Mr. Flynn's position was in the relationship to PDC, and Mr. Flynn replied that he was the President of the corporation. In response to Dr. Williams's inquiry, Mr. Flynn indicated that he had appeared today only as an unofficial representative of PDC because the corporation had not yet met and determined the course of action it would follow.

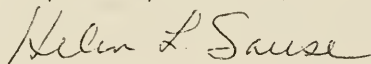
Mr. Evans noted that Mr. Flynn had given an accurate capsule of the past three years. He indicated that the area adjacent to the two blocks committed to PDC had been available for anyone to develop for some time but no group had come forward.

Ms. Blomquist and Mr. Rothenberg inquired about the development proposed by Dr. Carleton Goodlett, and Mr. Evans indicated that the Fillmore Center had been planned in the 1960's and in the early 1970's Dr. Goodlett, as the leader of a community-based group which joint ventured with a business group, intended to develop the area but after three years this effort failed.

Dr. Williams thanked Mr. Flynn for appearing and providing information to the Members and noted that the item would be calendared for consideration on October 19, 1976 at which time WAPAC representatives may also wish to comment on the matter. Mr. Flynn indicated his intention of meeting with representatives of WAPAC prior to the Agency meeting of October 19, 1976.

At 4:25 p.m. Acting President Williams and Members Blomquist and Rothenberg departed for an executive session.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



REPORT OF THE ASSISTANT AGENCY SECRETARY ON AN ATTEMPTED AGENCY MEETING

OCTOBER 7, 1976

At 11:00 a.m. Acting President Hannibal Williams, Ms. Dian Blomquist, and Mr. Alan Rothenberg were present in the fourth floor conference meeting room of the Redevelopment Agency of the City and County of San Francisco and declared that because of the absence of President Walter F. Kaplan, and Members Stanley E. Jensen, Joe Mosley, and James A. Silva the regular meeting would not be held.

The Acting President noted that due to the absence of a quorum, the Members would not function officially as a body, however the agenda items would be heard for informational purposes.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Robert A. Wilkinson and R. Louis Salaber, Tudor Engineering Company; Fred Jordan, Jordan Associates, Inc; Armen Anoooshian and Emilio de la Fuente, Resources Engineering and Management; and Arnold G. Townsend, Western Addition Project Area Committee (WAPAC).

Representing the press were Julie Smith, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Last evening there was a new report regarding allegations against Mr. Mosley who had been scheduled to attend today's meeting. Mr. Evans indicated that he was mentioning this only because in the past the Agency had been criticized for not acknowledging such allegations but noted that no comment was appropriate at this time.

Mr. Rothenberg inquired if any contact had been made with Mayor George Moscone in connection with appointments of new Members, and Mr. Evans answered affirmatively. Dr. Williams commented that any allegations made against a former Member in no way reflected upon the present body, and he believed it inappropriate to make any comment other than to receive information.

- (b) Last evening the Finance Committee of the Board of Supervisors chaired by Supervisor John Barbagelata and consisting of Dorothy von Beroldingen and John Molinari conducted its hearing on the Community Development application. Over 200 persons testified to various City needs, including the need to move forward in Western Addition A-2 and Hunters Point. At the conclusion of the public testimony, the Supervisors took the matter under submission and scheduled a meeting in two weeks to evaluate the budget in detail. The application will then be considered by the full Board, then sent to the Department of Housing and Urban Development (HUD) which has a period of 75 days for HUD to give its final approval. Mr. Evans indicated that a breakdown will be sent to the Members on the \$17 million portion of the Community Development budget requested for the Agency's program. This has no relation to the funds needed to be expended within the next year. Additional activities will be funded from \$1 million carried over from the appropriation for this year and another \$10 million application for "urgent needs" urban renewal funds. The total amount needed for Agency activities for 1977 is \$28 million.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c). Mr. Evans indicated that there was news regarding the four sites in Yerba Buena Center which were set aside for TODco to construct elderly low-to-moderate income housing. Two of the sites are on Third Street and two are nearer the freeway. Even though the City has committed one-half of one percent of hotel tax monies totalling approximately \$70,000 annually, it will take several years to accumulate sufficient funds to start this housing. News has now been received that Federal funds may become available for such housing and an application is being prepared for HUD. Another possible source of funds is the California Housing Finance Agency. Either of these funding sources will permit the housing to be built without using the hotel tax funds. In addition, two to three months ago a group known as Caballeros de Dimas-Alang, Inc., a Filipino organization, received a commitment of 100 units but had no site. As a result of the efforts of Supervisor Dianne Feinstein, this group has now joined with TODco in a joint venture agreement which will allow the 100 units of Federally subsidized housing to be built in Yerba Buena Center. Mr. Evans stressed that this success was attributable directly to Supervisor Feinstein and will save the City money and permit the project to go forward. In response to Dr. Williams's inquiry, Mr. Evans noted that this would be housing for the elderly. Mr. Rothenberg inquired how the site was determined, and Mr. Evans explained the joint venture agreed on selection of any one of the three sites other than that designated as Site 1; it is expected that Site 2 would be selected. In reply to Mr. Rothenberg's question, as to whether the Agency had conveyed this property or will in the future, Mr. Evans responded that the Members had identified four sites and ultimately act on the disposition proposal. He noted TODco has received an indication that the California Housing Finance Agency will fund another 100 units on Site 1, located at the southwest corner of Howard and Fourth Streets.
- (d) Mr. Evans indicated that the long stalled Site 17 was about to start construction in Western Addition A-2. It covers half a block and will provide 52 units of family housing under Section 236. The building permit is due to be issued on October 19, 1976.
- (e) The Western Addition A-2 Loan Committee has approved three loans for rehabilitation amounting to \$200,000, with the first scheduled to be closed on November 1, 1976 and the other two shortly thereafter. The aggregate amount of the loan requests now totals \$2.3 million, however, not all of these will come to fruition.

NEW BUSINESS

- (a) Consideration of selection of personal services contract for civil engineering services, India Basin Industrial Park Approved Redevelopment Project.

This concerns selection of a consultant to negotiate the contract for design services for earthmoving, surcharge placement and removal, final grading, landscaping, and sidewalk construction in India Basin Industrial Park. Mr. Evans, by way of background, indicated that the Members had established a policy for consultant selection, as follows: the staff solicits from a broad range those firms which are qualified to do the work, and of those approximately ten would be selected for interviews. Three of the most suitable are then brought to the Members for selection to negotiate a contract. There are representatives of three firms present for consideration to do the India Basin work. Mr. Evans indicated that the Agency did not maintain sufficient staff to do such design work because the need for it was sporadic; therefore, qualified consultants are selected to do the work. Mr. Evans also noted that the Members had established the policy of having the contracts divided into as many small packages as was economically feasible to provide more consultants an opportunity to do Agency work. Mr. Evans indicated that the role of the engineering consultant in India



Basin and Hunters Point is nearly completed. Mr. Evans indicated that any one of the three firms present was qualified and capable of doing the work. The three firms are Tudor Engineering Company, Jordan Associates, Inc., and Resources Engineering and Management. Discussion followed on the capability of staff to do this work with the conclusion that the Agency maintained a minimal force to oversee the construction contracts.

Dr. Williams inquired what construction inspectors did, and Messrs. Evans and Redmond Kernan, Director of the Engineering Division, indicated that these were trained engineers who inspected construction of walls and grading for conformance to design. Dr. Williams asked if they had had responsibility for inspecting the completed housing developments and certifying their completeness. Mr. Evans answered negatively noting that these engineering inspectors are responsible for site preparation. He noted that this relates to previous discussions where building inspectors should be performing at a higher level in overseeing the housing construction. Staff is evaluating this problem and meetings have been set up with HUD to see how the Federal Housing Administration (FHA) which insured and provided the loans can be made to assume this responsibility. HUD will be requested to hire more and better inspectors and other alternative solutions will be considered and recommended to the Agency. Mr. Evans stressed that after conveyance of the property, the Agency does not have control over the construction nor the authority to stop the contractor; therefore, the Agency is not in a position to enforce the inspections, even if it had staff performing such inspection work.

Dr. Williams stressed his desire for the matter to be resolved quickly and indicated that even without the authority the Agency would still be held liable for the problems that would result. Mr. Evans indicated that the problems expressed by Hunters Point and Western Addition A-2 residents were the opposite because in Western Addition A-2 they were asking for more and better inspections and in Hunters Point they were complaining that the Agency had refused to sign off on the occupancy permit because the site improvement work was not completed properly. Mr. Evans noted that the fees charged in the construction contract are being paid for inspectors but that the inspectors were being burdened with an impossible number of jobs to oversee. In private construction the owner hires an architect who administers the construction. Mr. Evans indicated that staff thought it had resolved this problem over a year ago when staff had worked with HUD to improve the level of inspection. The problem is simple that people are being paid to do the job who are not doing it.

Dr. Williams agreed that the problem was simple but noted that the Agency had to assume responsibility because the Members have to face the people and that an answer was needed. Mr. Rothenberg noted his belief that this was a problem of the Agency's as well as of HUD and the Members were looking at staff for an answer. He suggested consideration of City building inspectors providing creative solutions or else that the Agency hire its own inspectors. He indicated his concern that the new construction would soon become a slum.

Ms. Blomquist inquired the number of engineers on the staff, and Mr. Kernan responded that there were ten licensed engineers and four who were not licensed, with one at Yerba Buena Center and one at Western Addition A-2, in addition to himself at the central office, and the remainder at Hunters Point and India Basin.



NEW BUSINESS (continued)

Ms. Blomquist inquired if staff could do the engineering work called for, and Mr. Kernan replied that while they were professionally qualified they did not have time to do such work and stressed that this was work which occurs infrequently.

Mr. Rothenberg inquired what criteria the Members used in the interviews. Mr. Evans replied that the Members would be interested in the firms' affirmative action program, experience in construction, and their professional capacity and capability.

Dr. Williams inquired if there were any representatives present from the India Basin community, and Mr. Earl Mills, Acting Area Director for Hunters Point and India Basin, responded that the community had reviewed the contract and would meet with the firm chosen by the Members. Mr. Rothenberg noted that the contract was for technical services only and not employment.

Mr. Rothenberg inquired if the contracts were on the basis of fixed fee contract or on an hourly rate, and Mr. Kernan responded that staff followed the procedures of the American Society of Engineers and did not select consultants on the basis of cost but on their ability to perform the required service. In response to Mr. Rothenberg's inquiry, Mr. Evans replied that while cost was important, it was not controlling; however, quality of work was of the utmost importance. Mr. Evans indicated that the two basic ways engineering contracts are awarded are on a fixed fee basis or on a time and material basis with an maximum figure and that this was the way most professionals worked. There are drawbacks to both methods but on the whole the time and material basis is the better system. Mr. Evans indicated that the three firms were equally competent to do the work proposed.

Messrs. Robert A. Wilkinson and R. Louis Salaber were present from Tudor Engineering Company. Mr. Wilkinson indicated that Tudor was a 120-employee West Coast firm with its main office of 60 people in San Francisco. The firm had dealt with a variety of work, including structural work on transportation projects, such as the Bay Area Rapid Transit District (BARTD) project, and had just completed the design for a project in Richmond similar to the work to be done in India Basin. Mr. Salaber added that the firm had been doing civil engineering work for twelve years, and he presented graphics showing the various types of work done by the firm, including parking lots, site grading, roads, BARTD system, surcharge removal, finishing sidewalks, and landscaping. He added that joint ventures were sometimes involved. The firm has an affirmative action plan filed with the Department of Public Works, and Mr. Wilkinson added that the firm currently had 29 out of 60 employees who were minority people.

Mr. Fred Jordan of Jordan Associates, Inc. came forward and indicated that his firm was headquartered in San Francisco for the past five years with branch offices in Seattle, Portland, and Palo Alto and a total staff of 30 people. He indicated that it was the largest black-owned firm on the West Coast. He indicated the firm's experience in urban renewal in various cities, as well as having been engineering consultants on other projects, including work done for the Agency three years ago. He believed the firm was competent and noted commendations it had received. He added that 85 percent of the employees are minorities.

Messrs. Emilio de la Fuente and Armen Ansooshian came forward on behalf of Resources Engineering and Management. Mr. de la Fuente indicated that



NEW BUSINESS (continued)

approximately half of the employees are minorities and that the firm had worked for the Agency previously, as well as for the City and County of San Francisco. It has a training division composed of CETA employees which provides training at the entry level for public works jobs. He indicated the firm would have a minority person work with it on the project should it be fortunate enough to be selected to do the work and that the client was involved in all phases of the work.

Dr. Williams thanked the representatives of the three firms for their presentations and inquired of Mr. Evans if the staff needed the selection made soon. Mr. Evans responded affirmatively, indicating that the work was required to prepare property for disposition. Mr. Rothenberg asked if affirmative action is a consideration when firms are selected for interviews. Mr. Kernan responded that the determination included evaluation of technical qualifications, proximity to San Francisco, and an affirmative action program.

Mr. Rothenberg commented on the involvement of Tudor Engineering Company with the BARTD team. Mr. Rothenberg suggested that because Jordan Associates had worked for the Agency before and appeared to be technically competent, and because ethnic consideration was an important goal, that this firm be selected.

Mr. Kernan indicated that as a point of information, Tudor Engineering did only the civil engineering work for BARTD and that it was a great piece of work. Dr. Williams indicated that the Agency's guidelines strongly emphasized that the India Basin project have community and ethnic involvement and concurred in the selection of the Jordan firm, recommending that if negotiations cannot go forward with Jordan, then the firm of Resources Engineering and Management should be selected next.

The Members present unanimously concurred that the firm of Jordan Associates, Inc. be selected for negotiation of the contract for civil engineering services in India Basin Industrial Park.

- (b) Resolution No. 179-76 approving the agreement with Pacific Gas and Electric Company for undergrounding the 12.5 KV overhead electric line in the Hunters Point Approved Redevelopment Project Area NDP A-5.

This concerns execution of an agreement with the Pacific Gas and Electric Company for undergrounding of its 12.5 KV overhead electric line serving the Jedediah Smith School in Hunters Point at a nonrefundable cost of \$13,347. The undergrounding of electric service lines is required by the Redevelopment Plan and under Public Utility Commission regulations neither the PG&E nor the School District is required to pay for this work, therefore, it is the Agency's responsibility as developer of the property. Mr. Evans indicated that the work needed to proceed and the item will be presented to the Members for ratification. Dr. Williams indicated that it was important to move ahead.

Mr. Rothenberg commented that the letter from PG&E requesting the authorization was dated April 26, 1976 and Mr. Evans indicated that there had been delays in securing HUD approval. Mr. Oscar Fenton, Area Engineer for Hunters Point and India Basin, also indicated that the Agency disagreed with the PG&E cost estimate of work, but PG&E won; however, this also delayed the matter. Mr. Rothenberg suggested that the Director should proceed with the work subject to the concurrence of Agency General Counsel, and bring the matter back for ratification. Agency General Counsel Tilden H. Edwards indicated that the Members may ratify the action. The Members present agreed that the Director should have the work proceed and the matter ratified at the next meeting.



NEW BUSINESS (continued)

- (c) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 68, Western Addition Approved Redevelopment Project Area A-2.

This concerns advertisement of Demolition and Site Clearance Contract No. 68 in Western Addition A-2 to demolish seven buildings. Mr. Evans indicated that the item had been held over from a previous meeting pending additional information, and Ms. Blomquist inquired if a contract could be broken up after advertisement. Mr. Evans indicated that when a contract is awarded the Agency may not remove more than 25 percent of the contract, otherwise the contract would have to be negotiated.

Ms. Blomquist urged that this item not be approved because the buildings in the area set aside for the Performing Arts Center parking lot exceed 25 percent of the contract. She urged that because of the need for housing, she did not believe that demolition of buildings should occur for a very speculative purpose. She indicated that the Performing Arts Center had some private donations but needed a great deal more which the Board of Supervisors had declined to provide.

Mr. Rothenberg requested that street addresses of the buildings should be noted on the agenda. He indicated his approval of the advertising for bids for the buildings on all the sites except the Performing Arts Center. Mr. Evans indicated that detailed material had been provided the Members on the buildings to be demolished and noted staff recommended demolition of all the buildings.

Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that the buildings were vacant except for a bar which was scheduled to move by the first of the year. He stressed the problem of securing the buildings.

Mr. Rothenberg indicated that he did not have sufficient information, and Mr. Evans noted that the additional information given Ms. Blomquist would be sent to all the Members.

Ms. Blomquist referred to two buildings on Bush Street which were scheduled for demolition and inquired if it would be more economical to delay demolition until both could be demolished together. Mr. Suttle indicated that the second building would not be available for some time because the tenants had not been issued notices yet. Mr. Kernan indicated that there was no significant savings in demolishing both together and that the costs of security and maintenance of the building while awaiting demolition exceeded any savings. Ms. Blomquist indicated she was not prepared to consider demolition of buildings on the Performing Arts Center site. Dr. Williams indicated that he was unprepared to make a recommendation and Mr. Rothenberg indicated that he wanted additional background material. Dr. Williams indicated the item would be held over.

- (d) Resolution No. 191-76 authorizing the issuance of a work order for transmission to the Mayor's Office for work related to Yerba Buena Center.

This concerns a work order requested by the Mayor's Office for an analyst necessary to evaluate the Mayor's Select Committee Report. These services will be provided by an economist to analyze the proposed revision of the environmental impact report in an amount not to exceed \$2,600 to be expended by November 30, 1976. Mr. Evans indicated that to date \$10,000 had been paid by the Agency to



NEW BUSINESS (continued)

the Committee to cover staff salaries, printing, and distribution costs. Mr. Evans proposed that since the Members cannot act upon the matter, the staff issue a work order up to \$1,000 and the \$1,600 remainder would be presented for consideration by the Members at the next meeting.

The Members present indicated consent to this procedure.

At 12:35 p.m. Acting President Williams and Members Blomquist and Rothenberg departed.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
26TH DAY OF OCTOBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 26th day of October 1976, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Dr. Hannibal Williams, Acting President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

and the following were absent:

Walter F. Kaplan, President  
James A. Silva

The Acting President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Lyman Jee, Arcon-Pacific Ltd; Wayne Alba, Caballeros de Dimas-Alang, Inc; Arnold Townsend, Mary Rogers, Bennie Stewart, and Essie Collins, Western Addition Project Area Committee (WAPAC); and Randy Delahant, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that the minutes of the Regular Meeting of September 28, 1976, as distributed by mail to the Members, be approved. It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Special Meeting of October 1, 1976, as corrected and as distributed by mail to the Members, be approved.

Acting President Williams welcomed the two new Members, Ms. Joan-Marie Shelley and Howard M. Wexler, to the meeting.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 707-E, Western Addition Approved Redevelopment Project Area A-2

- (a) Acting President Williams opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 707-E, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the designation of Caballeros de Dimas-Alang, Inc. for one of the four TODCO sites, Yerba Buena Center Approved Redevelopment Project Area D-1



- (b) Acting President Williams opened the public hearing to hear all persons interested in the matter of the designation of Caballeros de Dimas-Alang, Inc. for one of the four TODCO sites, Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3751-G and 3751-Ga, Yerba Buena Center Approved Redevelopment Project Area D-1.

- (c) Acting President Williams opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3751-G and 3751-Ga, Yerba Buena Center Approved Redevelopment Project Area D-1.

Mr. Wexler indicated this item involved Hans Hagemeister, his law firm client, thus he would not participate in any way in the consideration of this matter. There being no persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) On behalf of the staff, Mr. Evans welcomed the two newest Members and indicated that they would be provided with whatever information and answers was possible.
- (b) The Mayor's proposal for expenditure of the City's \$28 million community development funds is being reviewed by the Finance Committee of the Board of Supervisors. The Mayor recommended that the Agency receive \$16.8 million of these funds, which represents a major portion of \$29 million expected to be spent in the next calendar year. When the hearing was held last Wednesday, there was a recommendation from at least two of the members on that Committee that the proposed budget for the Agency be cut by 15 percent. The remainder of the Mayor's proposal was analyzed item by item and action on the matter was continued until the Finance Committee meets again tomorrow. The Agency is evaluating the budget to determine where \$2.5 million in cuts could be made and do the least damage to the program. The Board of Supervisors will be urged not to enact such a reduction. Another potentially detrimental effect of the cut is the appearance of a lack of commitment to program completion. The Federal Government has a \$100 million appropriation for cities which need money over and above their allocation of community development funds. San Francisco has a \$15 million application pending for these funds. If the Committee arbitrarily reduces the Agency's budget by \$2.5 million and diverts the money to uses not connected with community development activities, no matter how worthwhile the uses are, this diversion of funds will undermine the credibility of the City in applying to the Federal Government for more money. In addition, under the 1974 Community Development Act there is a provision which permits the Department of Housing and Urban Development (HUD) to deduct 20 percent of the City's entitlement and apply those funds and retire the outstanding indebtedness if the Secretary believes the City is not committed to completing its programs. The staff indicated to the Committee that by cutting \$2.5 million the possibility increases that HUD's Secretary will deduct up to \$5.6 million from the City's entitlement and apply it to the over \$60 million outstanding indebtedness of the Agency. Mr. Evans indicated he would keep the Members informed on the Committee's and the Board of Supervisors' considerations.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Acting President Williams expressed the willingness of the Members to appear and defend the Agency's budget. Mr. Evans indicated his appreciation for such support and noted he would know after the Finance Committee meeting if additional testimony would be taken.

- (b) Mr. Evans indicated that there had been a bid opening on October 13, 1976 for \$9,315,000 in India Basin project loan notes and that the successful bidder was the Bank of America with Continental Illinois National Bank and Merrill, Lynch, Pierce, Fenner, and Smith at 2.92 percent interest, which was lower than last year's 4.068 percent. Mr. Evans indicated that these were tax exempt one-year notes which replaced last year's issue of \$10,910,000 and represented a substantial savings.

Mr. Rothenberg indicated that the California Housing Finance Agency is selling a \$100 million bond issue and inquired why San Francisco had not received a portion of this money. Mr. Rothenberg believed the funds could be of help in Western Addition A-2 and that the funds had priority for use in neighborhood areas. Mr. Evans indicated that he would look into the matter, although most of the units planned for low and moderate income persons were multiple-family units.

UNFINISHED BUSINESS

- (a) Mr. Rothenberg requested that the proposed amendment in the Agency's retirement program be calendared for the November 2, 1976 meeting.
- (b) Mr. Rothenberg also requested that because the exclusive negotiating rights of Pyramid Development Company have run into default that the matter be calendared for either November 9, 1976 or November 16, 1976 meetings.
- (c) In regard to the Goodman Building, Mr. Rothenberg requested that at the November 9, 1976 meeting there be a hearing with Mr. Mervyn Goodman and the tenants, with both invited to appear so that the Members could determine whether they had a viable offer or not. He indicated that the Agency should determine its own objectives as to whether the property was to be rehabilitated and requested staff to consider if the building should be offered for rehabilitation.

Acting President Williams indicated that these matters should be considered and requested that the appropriate parties be notified and given an adequate chance to appear. He also requested staff and the Western Addition Project Area Committee (WAPAC) to present recommendations, concerning the Pyramid Development Company and Goodman properties. Mr. Evans indicated that these items would be calendared with the Goodman building scheduled for November 9th and Pyramid Development on November 16th.

NEW BUSINESS

- (a) Resolution No. 194-76 rescinding Resolution No. 148-76; approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 707-B, Western Addition Approved Redevelopment Project Area A-2.



NEW BUSINESS (continued)

This Item was in connection with the public hearing just held and concerns conveyance of Parcel 707-B in Western Addition A-2 to Mr. Carlton B. Goodlett for \$26,000 to develop two of thirteen condominium townhouses in the sales price range of \$65,000 to \$70,000. Construction can begin as early as spring of 1977 depending on financing. On August 31, 1976 the Members authorized the sale of this parcel to Mr. Goodlett for \$22,000 for development of eleven townhouses and Dr. Goodlett requested that the site be enlarged to accommodate the additional two townhouses. This action, therefore, rescinds the previous authorization and proposes conveyance of the larger site.

Mr. Rothenberg asked when evidence of financing was to be submitted and Mr. Evans responded that the disposition agreement specifies dates for submittal of such evidence and in this case the developer appears to have adequate financing. He noted that the developer generally assembles development packages in a two or three step process and financing evidence is not developed until plans are completed; however, there are dates specified in the agreement for submission of each element. Once the financing is submitted construction usually starts within thirty days.

Mr. Rothenberg indicated that the date for submittal of financial evidence should be limited to a six-months' period and then be brought back to the Members, rather than letting the matter run one year and then discovering that the developer was unable to proceed. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated that the time schedules for submission generally related to the magnitude of the development. He indicated concern that a specific time period could create problems. Mr. Rothenberg suggested that if there is no evidence of financing within six months, then the time period could be extended by the Members.

Acting President Williams indicated his belief that the schedule should be kept flexible and monitored closely by staff. Mr. Rothenberg believed that in six months there would be no hesitation of the Members in approving an extension but wished to know the status.

Mr. McMahon indicated that the disposition agreements are negotiated prior to presentation to the Agency and that the performance schedule would be detailed in the memoranda to the Members.

Mr. Wexler inquired if Dr. Goodlett were developing the parcel as an individual and Mr. McMahon answered affirmatively. Acting President Williams noted that Dr. Goodlett had demonstrated his development capacity in constructing a large housing project in Oakland and had the financial resources to do the project.

Mr. Evans concurred in Dr. Goodlett's qualifications and indicated that there was always a possibility a project would not go forward when plans had been developed and it was determined if construction costs were higher than anticipated. He indicated that a high percentage of developers decide not to go forward at that point, but in this particular case Dr. Goodlett is a strong candidate.

Mr. Wexler noted that this was to be market-rate housing and inquired if there was any legal way for the Agency to control the price of such housing. Mr. Evans indicated that there were controls for subsidized housing but the market determines the price of other housing. Mr. Wexler inquired if the Agency could



NEW BUSINESS (Continued)

negotiate with developers on housing prices, and Mr. Evans indicated that in Diamond Heights the Agency had attempted to make the land available for moderate-income housing for families and found that there was no way to enforce resale prices.

Agency General Counsel Tilden H. Edwards indicated he would look into this matter and report to the Members on his findings.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 203-76 authorizing the Executive Director to execute an amendment extending the agreement with the Western Addition Project Area Committee (WAPAC) for a period of 60 days.

This concerns a 60-day extension of the Western Addition Project Area Committee (WAPAC) contract which expires October 31, 1976 for a cost not to exceed \$27,112.35. Discussions are being held with WAPAC regarding the necessity to reduce their staff and to modify their board structure to reflect current project area needs and community development funding levels. It is proposed that the WAPAC budget be decreased by \$70,000 and the new one-year WAPAC contract would be approximately \$100,000.

Mr. Wexler inquired if the salaries paid to WAPAC are within the salary survey performed by the Civil Service Commission and how their salaries are established. Mr. Evans responded negatively adding that WAPAC was a contracting entity, and Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated that the salaries are based on Agency positions with similar responsibilities. He noted that they are somewhat lower than Agency salaries because WAPAC has only a review and monitoring role whereas Agency staff has the added responsibility to execute the program.

Acting President Williams asked if WAPAC's staff were reduced could there be an allowance for severance pay. Mr. Suttle responded negatively indicating that they would receive at least thirty days' notice.

Mr. Arnold Townsend of WAPAC indicated that the figures used were those of the Agency and while WAPAC recognizes the need to reduce staff the amount of reduction was being discussed.

In response to Mr. Wexler's inquiry, Mr. Evans noted that \$27,000 represented a 60-day extension based on the current salary structure and stressed that there was approximately \$20,000 remaining in the budget so that this did not totally constitute expenditure of additional funds.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 68, Western Addition Approved Redevelopment Project Area A-2.

This concerns advertisement of Demolition and Site Clearance Contract No. 68 in the Western Addition A-2 project area to demolish four buildings, two in the Nihonmachi, one on Ellis Street, and the Manor Plaza Hotel on Fillmore Street. Three are vacant and all present serious security problems. In response to



NEW BUSINESS (continued)

Mr. Wexler's question, Mr. Suttle indicated that the Manor Plaza Hotel was acquired in October 1976 and had been closed about ten years previously by the Department of Public Health because of code violations. Originally the hotel had been scheduled for rehabilitation but due to deterioration this was infeasible. The residents of the adjacent housing consider the structure hazardous and unattractive and have requested that the Agency remove it. Mrs. Mary Rogers of WAPAC urged that the structure be demolished. Mr. Wexler noted that he would not vote on the matter since the Nihonmachi parcels may involve Namiki Associates, a client of his law firm.

MOTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, that Demolition and Site Clearance Contract No. 68 in Western Addition Approved Redevelopment Project Area A-2 be advertised, and on roll call the following voted "Aye":

Acting President Williams  
Ms. Blomquist  
Mr. Rothenberg  
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

Mr. Wexler

The Acting President thereupon declared that the motion carried.

- (d) Resolution No. 202-76 authorizing termination of agreement for disposition of land and improvements for private housing rehabilitation of Parcel 1129-N, Western Addition Approved Redevelopment Project Area A-2.

This concerns termination of the disposition agreement with Trans-Royal Systems, Inc. which was approved in October 1975 for the rehabilitation of 1840 Turk Street in the Western Addition A-2 project. Trans-Royal received a firm commitment from HUD in February 1976 and a satisfactory lender to finance the purchase and rehabilitation; however, Trans-Royal encountered difficulty in the interim in engaging a general contractor who could meet the bonding requirements of the Agency and Federal Housing Administration (FHA) to ensure completion of rehabilitation. Therefore, they have requested that the agreement be terminated and have requested a refund of deposit. Staff recommends the termination of this disposition agreement in order to permit the Agency to reoffer the parcel.

Ms. Blomquist inquired about the Agency's policy on refunding deposits, and Mr. Evans responded that developers who proceed in good faith and expend money in an effort to develop the property receive a refund of monies deposited if the project cannot proceed for reasons beyond the developers' control. Sometimes, however, a parcel is offered with the specification that the deposit is non-refundable. In reply to Mr. Wexler's question, Mr. Evans indicated that the Trans-Royal deposit was \$2,700. Mr. Evans added that this company had proceeded in good faith. Ms. Shelley inquired if when a deposit is to be nonrefundable was that fact always acknowledged in advance, and Mr. Evans answered affirmatively.



BUSINESS (continued)

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 201-76 authorizing payment of \$1,440.34 in the settlement of claim of Jane S. Ophuls and Scott Street Associates, Western Addition Area A-2.

This represents a claim of \$1,440 for broken windows in certain properties sold for rehabilitation. In 1975 the Agency authorized the sale of these buildings to the claimants, Jane S. Ophuls and Scott Street Associates, but before the properties were conveyed at the end of the year there had been considerable vandalism. Staff has verified the costs of \$1,440.34 to replace the windows and recommends payment of the claim. Mr. Rothenberg inquired why the claim took six months to process and Agency General Counsel Tilden H. Edwards indicated that there had been some delay in securing documentation.

Ms. Mary Rogers inquired about payment of this particular claim when other buildings sold for rehabilitation were also vandalized. Acting President Williams indicated the Agency had an obligation to deliver the building in the condition in which it was sold. Mr. Suttle indicated that the damage occurred between the purchase and transfer of title, and that the Agency had sold the structures in an "as is" condition.

Ms. Shelley inquired what the situation would be if instead of being vandalized the buildings had been totally destroyed by fire, and Mr. Evans responded that the Agency has fire insurance on the properties not scheduled for demolition and that the sales agreement would then be automatically rescinded. He indicated that he would investigate why the claim took six months to process. Mrs. Rogers again came forward noting her belief that the owners should live in these structures. She deplored the practice of displacing people so that out-of-town purchasers could own the property and then ask for money to cover vandalism. Mr. Wexler asked Mrs. Rogers to provide information to the Agency in regard to other buildings sold by the Agency which were vandalized prior to conveyance, but Mrs. Rogers responded that many of those which were damaged had since been torn down.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 196-76 designating Caballeros de Dimas-Alang, Inc. or their subsidiary Community Development and Assistance Corporation and TOOR/TODCO as joint venture sponsors of housing on certain sites within the Yerba Buena Center Redevelopment Project Area D-1.

This represents an amendment of the May 1973 resolution designating TODCO as housing sponsor in Yerba Buena Center in order to incorporate Caballeros de Dimas-Alang, Inc. as a joint venturer with TODCO for sponsorship of housing for the elderly in the project area. Caballeros de Dimas-Alang, Inc. has received a reservation for Section 202 housing funds but had no site upon which to start construction. Under this amendment one of the four sites provided for housing under the TOOR agreement will be designated for elderly housing. Mr. Rothenberg inquired if this would serve the same housing needs as proposed under the TODCO agreement, and Mr. Evans answered affirmatively noting that although Federal statutes prohibit discrimination, since there are many Filipinos in the area there could be a disproportionate number of them in the housing. Mr. Rothenberg



NEW BUSINESS (continued)

was concerned that the TOOR agreement would be violated, but Mr. Evans indicated that TODCO had executed the joint venture agreement, indicating its agreement. In addition, TODCO is considering joint venturing with still another group. He noted that in reply to Mr. Wexler's concerns TODCO needed a partner since it had been unsuccessful in receiving HUD approval for reservation of funds. Both TOOR and TODCO have signed the agreement and there was no controversy.

Acting President Williams inquired if the housing was for the elderly and Mr. Evans replied affirmatively, adding that the handicapped were also to be included.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 200-76 approving the disposition price and method of sale; authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with sale of Parcels 3751-G and 3751-Ga; authorizing the Executive Director to enter into an owner participation agreement in Block 3751, Lot 79, in the Yerba Buena Center Approved Redevelopment Project Area D-1.

Mr. Wexler indicated he would not participate in this matter because these parcels involved Hans Hagemeister, a client of his law firm, and he left the podium.

Mr. Evans indicated that this item was the subject of the earlier public hearing and represented disposition of parcels at a sales price of \$22,600 for 3,680 square feet at \$6 per square foot for off-street loading and parking of the owner participant, Hagemeister Properties, Inc. Also involved is execution of an owner participation agreement. Mr. Evans indicated that the building had been scheduled for retention and that the rehabilitation work had been done. In order to close Shipley Street alternate streets had to be built and accommodations made for public utility easements, and the Agency was not in a position to deliver these two parcels until this work was done; hence, the long delay since June 1970 in conveying the parcels to Hagemeister Properties, Inc. Mr. Rothenberg inquired about the policy regarding vacated streets, and Mr. Evans indicated that under the Redevelopment Plan any streets vacated must be conveyed from the City to the Agency at no cost. Those streets, or land, provide a reduction of the City's share of cost.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, that this resolution be adopted, and on roll call the following voted "Aye":

Acting President Williams  
Ms. Blomquist  
Mr. Rothenberg  
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

Mr. Wexler

The Acting President thereupon declared that the motion carried



NEW BUSINESS (continued)

- (h) Resolution No. 199-76 awarding Demolition and Site Clearance Contract No. 45, Yerba Buena Center, to Economy Land Clearing and Wrecking.

This concerns award of Demolition and Site Clearance Contract No. 45 in Yerba Buena Center to demolish the Imperial Hotel in Yerba Buena Center. The low bidder was Economy Land Clearing and Wrecking, which is an experienced bonded contractor that has not previously performed work for the Agency. The bid is low because the contractor plans to resell \$18,000 worth of brick salvage.

Ms. Blomquist inquired what development was scheduled for this parcel, and Mr. Evans indicated it was under contract to the Western Growth Fund. He indicated that the building presented a maintenance problem and was a serious fire hazard. Ms. Blomquist requested that the matter be held over until the Members had some information on what was going on the site.

Mr. Evans indicated that demolition of the building was long overdue since it was one of the "hostage hotels" set aside in the TOOR settlement agreement and that rehabilitation was infeasible. Mr. Rothenberg requested that the Members be provided with more background on buildings scheduled for demolition. Acting President Williams indicated that the item would be held over for one week.

- (i) Resolution No. 191-76 ratifying the issuance of a work order for transmission to the Mayor's Office for work related to Yerba Buena Center.

This represents a work order not to exceed \$2,600 for one month to the Mayor's Office for an economist to analyze the Mayor's Select Committee report. Mr. Evans indicated that \$1,000 has previously been issued and this would ratify the entire \$2,600.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 192-76 approving extension of performance date required in agreement for disposition of land for private redevelopment between the Agency and Arcon/Pacific Ltd., a partnership, with respect to disposition Parcel 3706/Site 1, Yerba Buena Center Approved Redevelopment Project Area D-1.

This concerns the extension of the submission date for evidence of equity and mortgage financing with Arcon/Pacific, Ltd. for the 33-story "theme" building for a period of sixty days. Arcon/Pacific, Ltd. has been actively pursuing leasing commitments but during the period when the Mayor's Select Committee was studying the project, the financial community had been reluctant to indicate any commitments in the project, thus necessitating the need for more time. Mr. Evans pointed out that sixty days may be insufficient but recommended that it was advisable to monitor progress by a series of short extensions.

Mr. Rothenberg indicated he would not participate in voting because he was connected with the lending institution considering the development.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, that this resolution be adopted, and on roll call the following voted "Aye":

Acting President Williams  
Ms. Blomquist  
Ms. Shelley  
Mr. Wexler



NEW BUSINESS (continued)

and the following voted "Nay":

None

and the following abstained:

Mr. Rothenberg

The Acting President thereupon declared that the motion carried.

Mr. Randy Delahant came forward and indicated that such a key parcel as this building is should have public consideration and he wanted to know what was going to be built. Mr. Evans indicated that this building had been designated for development by Arcon/Pacific after a public hearing in March 1976 and that the building had also been supported by the Mayor's Select Committee.

- (k) Resolution No. 195-76 awarding Site Improvement Contract No. 17 in India Basin Industrial Park to McGuire and Hester.

This item concerns award of Site Improvement Contract No. 17 in India Basin to the lowest of seven bidders, McGuire and Hester, for \$131,020 to remove, recompact, and install fill. Acting President Williams requested an explanation of the surcharge process, and Mr. Evans indicated that India Basin has a complex soils problem caused by its composition of mud and debris. If a building were placed on such unstable earth it would settle about five feet in fifty years, and in order to get that land consolidated a load of earth is placed upon it to force its compaction. Preparation of India Basin for construction has taken a long time because of poor soils. Acting President Williams asked if the surcharge process precluded further settling, and Mr. Redmond Kernan, Director of Engineering indicated that the mud thickness varies in different areas and the surcharge is to prevent differential settling so even though there is normally some settlement it is not injurious to buildings. Acting President Williams inquired if there was another alternative to the surcharge process, and Mr. Kernan indicated that sand drains could be used wherein drill holes were made and filled with sand; however, this is a more expensive process. Mr. Kernan indicated that surcharging was the most viable means of making the site buildable and noted that this work was now nearly complete. He added that India Basin would provide one of the best building sites in the city. Mr. Wexler inquired if the low bidder was satisfactory, and Mr. Kernan replied that he was considered to be so.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (l) Resolution No. 204-76 ratification of Change Order No. 15-7 to Site Improvement Contract No. 15 in Hunters Point Approved Redevelopment Project Area.

This is a ratification of a change order to Site Improvement Contract No. 15 not to exceed \$25,624 in connection with the W. R. Thomason, Inc. contract to construct retaining walls, streets, and public utilities for 156 units of housing in Site B of Hunters Point, Phase II. Mr. Evans indicated that this work was discovered necessary after construction was already underway.

Mr. Earl Mills, Acting Area Director for Hunters Point and India Basin, indicated this matter did not relate to the problems referred to at a previous meeting regarding construction of a wall. Mr. Mills indicated that proposals for that corrective work were being developed and would be brought before the Members shortly.



NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (m) Resolution No. 179-76 ratifying the agreement with Pacific Gas and Electric Company for undergrounding the 12.5 KV overhead electric line in the Hunters Point Redevelopment Project Area NDP A-5.

This represents ratification of an agreement with the Pacific Gas and Electric Company for \$13,347 for undergrounding the overhead electric line serving the Jedediah Smith School in Hunters Point. This amount is not refundable.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (n) Resolution No. 198-76 amendment to policy governing official travel.

This item amends the Agency's travel policy to provide that the Executive Director authorize travel up to \$100 and the President authorize travel up to \$300. Quarterly reports will be sent to the Members. Mr. Evans indicated that this item was subject to HUD approval. Mr. Rothenberg requested that the reports be submitted monthly to the Members instead of quarterly, and Mr. Evans indicated this would be done.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (o) Resolution No. 197-76 granting travel authorization for attendance at a legal seminar, Carlsbad, California.

This concerns a travel authorization for the Agency's Senior Attorney, Mr. Steven Nord, to travel to Carlsbad, California on November 10 to 13, 1976 to attend a law conference and seminar sponsored by the International Council of Shopping Centers. The focus of the conference will be on the legal aspects of such developments, and a registration fee of \$150, plus travel and subsistence is included in the authorization.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

ATTENDS NOT APPEARING ON AGENDA

- (a) Acting President Williams indicated that the next regular meeting of the Agency would be at 4 p.m. and that the by-laws of the Agency were to be amended to establish 4 p.m. as the regular meeting time instead of 3:30 p.m.

DJOURNMENT

It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
2ND DAY OF NOVEMBER 1976

DOCUMENTS DEPT.  
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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd of November 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

and the following was absent:

James A. Silva

The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present was Raphael DuBard, Jr., Laurel Gardens, Ltd.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Donald Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that the minutes of the Regular Meeting of October 26, 1976, as corrected and as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 754-A, Western Addition Approved Redevelopment Project Area A-2.

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 754-A, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Two rehabilitation loans approved by the Rehabilitation Loan Committee closed yesterday. These will provide for \$28,000 to rehabilitate one single-family residence and \$120,000 to finance thirteen units. The Agency's loan program is now underway and more loans are in process.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) A Member had inquired if those Agency-owned buildings scheduled for long-term retention or for eventual rehabilitation could be painted, and last week implementation of this effort began with the painting of the facades of three buildings. It is anticipated that twelve more will be done within a month and twenty others are being considered for painting in the Western Addition A-2 area.
- (c) The building permit ban the City has been under allowed permits to be issued only on a case-by-case basis. The Regional Water Quality Control Board released permits which will enable \$88 million in construction to proceed in redevelopment projects. The Department of City Planning and the Bureau of Building Inspection have been very helpful in aiding in the release of these permits.
- (d) On November 18, 1976 at 7 p.m. in the Hyatt Regency Hotel there will be a memorial dinner in honor of M. Justin Herman sponsored by the National Housing Conference (NHC), which is an influential group in the housing field.
- (e) Mr. Evans indicated that Phase III of the Golden Gateway from Jackson Street to Broadway was initially designed for 20-story high-rise apartment dwellings, as permitted by the Redevelopment Plan. The developer had been issued building permits for construction of Phase III but a lawsuit was brought on the issue of the interruption of views of Telegraph Hill dwellers. The lawsuit took one year to discharge and finally five of the counts were dismissed and the sixth one dropped. In the meantime, a change in philosophy regarding high-rise buildings has taken place in the city and this with escalating construction costs made the project economically infeasible to build as originally designed. Mr. Evans also noted that there was a difficult soils problem in the area making construction costs higher than elsewhere. During this period the City Planning Commission and former Mayor Joseph L. Alioto, in addition to two members of the Board of Supervisors, requested the Agency to consider low-rise development for Phase III. The Agency Members authorized that a letter be directed to the Golden Gateway developers requesting that the feasibility of low-rise be studied. It was concluded that a low-rise development was possible, although it was marginally feasible, provided there was an increase in the amount of commercial use. The Members approved the Redevelopment Plan amendment necessary to permit the Golden Gateway developers to build a three-phased low-rise development which decreased density, preserved open space, and increased commercial use. The development would take a period of three years. The Environmental Impact Report was approved and the Plan change was approved by the Members and then sent to the Board of Supervisors, with a copy to the Planning Commission. The Planning Commission has thirty days in which to determine whether there is any conflict of the proposed Plan change with the City's Master Plan. Since the immediate adjacent area already has a height limitation of 84 feet and is commercial, the Planning Commission will have difficulty in finding these changes in conflict with the Master Plan.

The Chinatown Coalition appeared before the Planning Commission and raised the issue of whether low-income housing for the elderly could be included in the development. The Planning Commission held the matter over until November 9, 1976 and asked that the Coalition meet with Agency staff and notify the Members of the concerns of the Chinatown group. Mr. Evans indicated he had met with both the Planning Commission staff and the Chinatown Coalition group. The need for low-and-moderate income housing for Chinatown was a legitimate issue, but it is questionable whether this was economically feasible or if it was the appropriate area for such housing. Further, this particular developer had



REPORT OF THE EXECUTIVE DIRECTOR (continued)

prepared plans for high-rise development on which he was issued a building permit; subsequently, the request to consider low-rise was made and the developer again spent money to prepare a new proposal. Therefore, it would be difficult to turn down or modify this low-rise proposal and the Coalition is requesting now that 20 to 30 percent of the units be taken out of the economic return which would further compromise the developer. Mr. Evans indicated that the Agency has committed disposition of the land to the developer, subject to approval of the Redevelopment Plan amendment by the Board of Supervisors. He noted that it would be with reluctance that he would ask a builder who had acted in good faith to remove his margin of profit by substituting low-to-moderate income housing in his development, particularly when this developer was providing a major public service by developing and maintaining open space in that area. Mr. Evans asked the Members for their comments.

Ms. Blomquist inquired what would happen to the agreement with the developer if the Planning Commission did not approve the Plan change. Mr. Evans indicated that the Planning Commission is only to consider if the amendment conforms to the Master Plan and make a finding which is then directed to the Board of Supervisors. Mr. Evans noted that the adjacent area has the same height limitation of 84 feet and the amount of commercial use is also consistent with the surrounding area; therefore, the Planning Commission should make the necessary finding. President Kaplan inquired when the hearing was scheduled, and Mr. Evans believed it would be November 22, 1976.

Mr. Wexler inquired if the primary concern of the Coalition was for the elderly and Mr. Evans indicated that they wanted housing for both elderly and family, but family housing was infeasible in that area. He noted that some efforts were being made to provide such housing in Chinatown. One project area is underway and recently surveys began on another but these were inadequate to serve the need. Mr. Wexler stressed the problem of taking 20 to 30 percent of the units for such housing reduces the income expected by the developer, and Mr. Evans agreed. Mr. Evans indicated that the developer proposes selling the townhouses for the \$125,000 range. He again noted the amount of open space that must be provided by the developer, which makes 40 percent of this project nonrevenue producing. Mr. Wexler inquired if there was any other source of funds available to purchase or to rent to low-income groups, or to aid them in purchasing at higher prices. Mr. Evans indicated that there were subsidy programs but the maximum for each was set by statute at about \$30,000 to \$35,000 per unit. He noted that the statutory maximum limits are not feasible when the land is \$8 per square foot.

Mr. Rothenberg indicated that at issue was the matter of two choices: esthetics versus economics; development of low-rise versus high-rise; and economic feasibility versus subsidies. He believed that the Agency was locked into proceeding with the proposed development. Mr. Evans agreed and added that if the developer failed to perform, the land would again be offered for development. Discussion followed on the disposition price of the land and the public benefit that would be derived from provision of open space by the developer. Mr. Evans noted that mid-rise development would have been preferred but is economically infeasible at this time, but after development of the first block the feasibility of this is to be reviewed.

Ms. Shelley inquired what the Coalition expected the Agency to do, and Mr. Evans indicated that the group was reasonable in its requests and primarily wished to make everyone aware of the need for housing in Chinatown. Ms. Shelley inquired if there were other projects being considered for low-to-moderate income housing,



REPORT OF THE EXECUTIVE DIRECTOR (continued)

since one project cannot meet all the goals. Mr. Evans indicated about 200 units were planned for the project at the southwest corner of Stockton and Sacramento Streets. The City has committed \$700,000 and the Federal Government \$2 million to the development of this project. A lawsuit in which the property owners are complaining about their views being cut off is delaying the construction of this comprehensive development which will have a parking garage, commercial on the ground floor, and housing units for the elderly. The permit is approved and the project is ready to move forward. Another project is included in the Community Development budget for 1977 and is located at Jackson and Washington Streets. The car barn site at the northern waterfront is also a possibility for such housing.

President Kaplan indicated that there was nothing the Agency could do at this time. Mr. Wilbur Hamilton, Deputy Executive Director indicated and Mr. Evans noted that staff had assured the Coalition that the Agency would work with them to seek sites and is aware of the high density problem in Chinatown.

Dr. Williams indicated his sympathy for those seeking housing in Chinatown but added that the Agency already had made a determination on this particular piece of property and would uphold that decision. At the same time every avenue will be explored to alleviate the housing problems in Chinatown.

Mr. Wexler inquired if the problems could be explored at a future public meeting with the Coalition. Mr. Evans indicated that such a meeting would be calendared for a future meeting.

President Kaplan inquired about the proposed award of Demolition Contract No. 45 for Yerba Buena Center that was held over from the previous meeting and asked why it was not on today's agenda. Mr. Evans indicated that a Member had requested more information and that it would be calendared next week.

NEW BUSINESS

- (a) Resolution No. 206-76 making certain findings in connection with Low-to-Moderately Priced Private Housing Site 17, Parcel No. 754-A, Western Addition Approved Redevelopment Project Area A-2; authorizing assignment thereof; and authorizing execution of an agreement for disposition and other necessary conveyance instruments in connection therewith.

This item was the subject of the public hearing just held and concerns an assignment of interest from Jack Baskin, Inc. to Raphael DuBard, Jr. who will form a limited partnership known as Laurel Gardens, Ltd. which will act as developer and mortgagor entity for this site. The 52-unit project will be co-sponsored by the Labor Assembly for Community Action (LACA) which also sponsored the Loren Miller Homes and other developments. The minimum disposition price is \$26,000 based on \$500 per unit and rents for moderate-income tenants will range from \$185 per month for a one-bedroom unit to \$259 monthly for a three-bedroom unit, with 17 units receiving supplemental rental assistance payments for low-income families. The FHA commitment of Section 236 mortgage insurance and subsidies have been issued and a building permit is pending. Laurel Gardens Ltd. will reimburse Jack Baskin, Inc. for costs paid on the development as he carried the project through its early developmental phases and then retired from the construction business.

Mr. Evans detailed the many delays that have plagued this project that were beyond the control of the developer, but noted that once the building



NEW BUSINESS (continued)

permit is issued construction can begin within thirty days. Ms. Blomquist asked what role LACA played and Mr. Evans indicated that it was a nonprofit group which sponsored developments. He noted that this mechanism had been developed to give community groups ownership. LACA in effect performed as a consultant to advise on affirmative action programs and to counsel tenants and do the initial rent-up. Ms. Blomquist inquired if LACA received any monetary compensation, and Mr. Evans replied affirmatively. Ms. Blomquist inquired if Bernice Watkins was an Agency employee, and Mr. Evans replied affirmatively adding that she was a resident-employee member of LACA. Ms. Blomquist questioned whether there was any conflict of interest involved, and Mr. Hamilton indicated that LACA was a nonprofit entity and its assets were not distributed to individuals; therefore, in no way could its members share in profits.

MOTION: It was moved by Dr. Williams that this resolution be adopted.

Mr. Rothenberg asked about the financial strength of Mr. DuBard, and if he were a competent developer. Mr. Evans answered affirmatively indicating that he had been the developer of Loren Miller Homes and Thomas Paine Square and was a general partner and developer of Buchanan Park Apartments.

Mr. DuBard came forward and indicated that he had presented his financial statements to the Agency and had done a number of developments, including \$42 million through FHA 220 programs and 236 programs. He also is working on single-family housing in Los Angeles and put together Thomas Paine Square and Marian Johnson House. Mr. Wexler mentioned the \$261,000 lawsuit of Jack Baskin, Inc. and asked if there was any relation to this development. Mr. Evans indicated there was no connection and that Baskin was only the general contractor and had no equity interest. The lawsuit concerned soils problems.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

Dr. Williams indicated concern about the proclivity shown to closely examine development proposals for Western Addition A-2 and Hunters Point and urged that should the Members have questions about the material sent to them prior to the meetings by staff that these be asked before the meetings so that they would be ready to vote at the meetings after reviewing the material. He cautioned the Members that the meetings would become interminable if they did not study their material.

- (b) Resolution No. 210-76 authorizing filing of an application to the United States Department of Commerce for funds to construct the John Swett School Community Facility, Western Addition Approved Redevelopment Project Area A-2.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 209-76 authorizing termination of agreement for disposition of land and improvements for private housing rehabilitation of Parcel 1100-P, Western Addition Approved Redevelopment Project Area A-2 and rescinding Resolution No. 82-75.

This concerns termination of a disposition agreement with Michael W. Erlin for rehabilitation of 33-35 Beideman Place due to personal problems which make it necessary for him to withdraw. Other qualified persons have expressed interest in the property.

Mr. Evans indicated that it was thought that an Agency Action to terminate the contract was unnecessary but in order to reoffer the parcel the action was found to be needed.



NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 207-76 amending by-laws for the San Francisco Redevelopment Agency with regard to its regular meeting time.

This represents a change in the by-laws to officially change the regular time of the Agency meetings from 3:30 p.m. to 4:00 p.m.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

Mr. Wexler asked if there were indications from community groups that evening meetings would be preferred, and Mr. Evans answered negatively. He noted that evening meetings were often held in connection with consideration of redevelopment plan adoptions but that the Hunters Point and Western Addition A-2 community organizations have a paid staff. He indicated that staff often attends evening meetings with various groups.

- (e) Resolution No. 208-76 travel authorization.

The Members just recently authorized certain travel procedures which would obviate the need to bring to the Members such matters for individual approval but these have not as yet been approved by HUD. This is a request for travel for Messrs. Wilbur W. Hamilton; William F. McClure, Chief of the Rehabilitation Division; and Frank Pizzinelli, Rehabilitation Supervisor, to attend a two-day rehabilitation workshop sponsored by the National Association of Housing and Redevelopment Officials and the League of California Cities in Long Beach on November 15 and 16, 1976. Mr. Hamilton is the moderator of the panel which will place emphasis on financing, rehabilitation, and alternatives to code enforcement policies and rehabilitation standards.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
9TH DAY OF NOVEMBER 1976

DOCUMENTS

NOV 9 1976

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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 9th day of November 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

and the following was absent:

James A. Silva

The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Mrs. Bland Platt, Landmarks Preservation Advisory Board; Robert B. Marquis and Cathy Simon, Marquis Associates; Fred Noldon and Richard Harper, Western Addition Project Area Committee (WAPAC); Peggy Compton, San Francisco Development; Chet Hoseley, Goldrich and Kent, Inc; Pat Carey, Michael Roberts, and Mervyn Goodman, Goodman Building; Martha Sanger, John Campbell, and others, the Goodman Group; and George Rescalvo, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Donald Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Wexler, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of November 2, 1976 and the minutes of an Executive Meeting of November 2, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of consideration of property located at 1117 Geary Street (Goodman Building), Western Addition A-2.

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of consideration of property located at 1117 Geary Street (Goodman Building) Western Addition A-2. President Kaplan indicated that there was a ten-minute time limit for each speaker.

Mr. Fred Noldon, a member of the Western Addition Project Area Committee (WAPAC), came forward and indicated his support for the tenants of the Goodman Building.



SPECIAL APPEARANCES (continued)

Mr. Robert Marquis of Marquis Associates came forward and indicated that his architectural firm had been retained by a grant from the Endowment of the Arts and by matching funds totaling \$20,000 to serve as a team of technical experts in preparing a study report showing the renovation needed for the building and preparing cost estimates. The study is half completed. An economist on the team is working out alternative financing plans for the work. He indicated that Ms. Cathy Simon was an architect working on this project and they would answer questions.

President Kaplan inquired about the financing mechanism to be used, and Mr. Marquis indicated these projections could not be finished until the study was completed but that there appeared to be four possible schemes: one would bring the building up to all code requirements; the other three concerned modification of the building for various purposes, such as a community art center. There will be a meeting with Agency staff and building inspectors next week to go over the standards to be met. Construction cost estimates are being handled by Mr. Fred Oppenheim, as a consultant. Mr. Marquis indicated that the structural engineers have to make their report before the economist can evaluate the costs and project financing plan. Mr. Marquis estimated roughly that the rehabilitation cost would be \$120,000, but that it would be premature to report now. He expected the complete report by mid-December.

Mr. Rothenberg asked Mr. Marquis if the Myrtle Street flats were included in this study, and Mr. Marquis indicated that this was one of the alternatives that would be taken into consideration. Mr. Rothenberg inquired if the building would be used for residential and Mr. Marquis indicated that the feasibility studies had to be completed before this was determined but every aspect would be studied.

Mr. Rothenberg inquired if Mr. Marquis was taking into consideration the state legislation for historic structures, or using City building codes. Ms. Simon indicated that the aspects of building safety were the first consideration but the Historic Building regulations were being taken into account. Mr. Evans inquired when the report would be ready, and Ms. Simon indicated it would be completed by the last week of December.

Mr. Michael Roberts came forward and indicated that he was a tenant in the Goodman Building. He indicated that three weeks ago there was a Board of Supervisors meeting and Supervisor John Barbagelata had requested that Mr. Mel Ury, Project Director of the Yerba Buena Center Public Facilities, ask Mr. Alexander Maisin, developer of the International Longshoremen's and Warehousemen's Union (ILWU) if he would state in writing his agreement to release a portion of the property so that Mr. Goodman could buy it back. Mr. Roberts believed the property should not be offered to the Goodman Group. He noted that when the Agency first commenced eminent domain proceedings, the people who were in the building as legal tenants were mostly all out of the building now and the Goodman Group is largely composed of illegal tenants. He noted that there were very few artists in the Goodman Group and expressed the belief that the Agency should not consider this illegal tenant group which was not even paying the rents. He indicated that the money withheld from rent payment was to put down redevelopment and the group has attempted to have himself and others pay rent to them. He indicated that when he moved he would receive relocation money from which the Agency would deduct his rent, but he refused to pay rent to the group of nonartists called the "Goodman Group". He believed that the Goodman Building should be given back to Mr. Goodman. He also indicated that the former tenants had been humiliated by the Goodman Group.



SPECIAL APPEARANCES (continued)

Mr. Rothenberg asked what Mr. Roberts thought Mr. Goodman would do if he were to take over the building, and Mr. Roberts responded that he had put in electrical conduits and fire escapes before the building was acquired but that he did not know what Mr. Goodman would do with the building; however, he believed that as his constitutional right Mr. Goodman should be given his building back and the structure preserved.

Mrs. Martha Sanger came forward and indicated that she was one of the legal tenants of the building. She indicated that in the course of the last four years the Goodman tenants have been through a struggle to save the building and as a result of considerable tension of the power struggle some tenants have left. She indicated that they have worked to show that the building is important and also to make it an important cultural center for the arts. The National Endowment for the Arts has given the grant to preserve the structure and she believed the group had served the city's cultural community by working to save the building and by expanding the availability of artistic services. A grant has also been received from the California Arts Council because of the free classes given in the building, including a theater and dancing workshop. She indicated that progress has been made to achieve the income needed to retain the building and that the San Francisco Art Commission will soon consider a ten to fifteen year lease with an income of from \$100,000 to \$150,000. She indicated that the Goodman Group also hoped to receive a grant from the Department of the Interior. Mrs. Sanger indicated that she was not sure how much would be funded from the Department of the Interior but 40 percent was anticipated of the \$50,000 fund. She also thought that a possible \$50,000 could be provided through a low-interest loan from the Agency. She believed that the Goodman Building should be a combination of low-income housing and a cultural facility. Mrs. Sanger believed that ownership of the building should go to the Foundation for San Francisco's Architectural Heritage, however it has not committed itself. She then provided material on the building to the Members.

Mrs. Sanger noted that another solution would be to turn the property over to Mr. Goodman with long-term leases for the artists and cultural activities. She indicated her belief that the optimum solution would permit the building to remain as a public facility under the ownership of Mr. Goodman.

President Kaplan inquired about the basis for the Art Commission to deal with the Goodman tenants when they did not own the building, and Mr. Evans indicated that this could be done by the tenants forming a nonprofit corporation, buying the building, and financing it through grants and loans in a form similar to the mechanism used by the Chinese Cultural and Trade Center.

Mr. Rothenberg asked if Mr. Goodman and the legal tenants had equal rights as certificate holders had and Mr. Evans indicated they had equal access to purchasing the building through certificate holder bids.

Mr. Wexler asked if the financing discussed by Mrs. Sanger could be made available to the Members which would show the money put up by the Goodman Group, and Mrs. Sanger replied that she would provide this, subject to the approval of her attorney, Ms. Pamela Ross. She reaffirmed that she had been talking about the money put in by the tenants and that she would provide the figures in terms of rents being withheld.



SPECIAL APPEARANCES (continued)

Mrs. Patricia Carey came forward and indicated that she had been the historian for the Goodman Building and had spent two and one-half years researching material and information to win landmark status for the structure. She indicated that never at any time did she ever think that the Goodman Group should own the building. She thought that the Building should be saved from demolition as a historical structure and Mr. Goodman should get it back. She indicated that Mr. Goodman permitted the real artists to remain in the building and that the Goodman Group had thrown them out. She commented upon the columnist Guy Wright's defense of Mr. Goodman and indicated that Mr. Goodman had offered Mrs. Sanger a fifteen-year lease. Mrs. Sanger rejected it in favor of a thirty-year lease which the group indicated it needed to get a loan for rehabilitation. She alleged that the Goodman Group has not come up with the money to buy the building which they want for themselves although they did not qualify as artists.

Mrs. Bland Platt, President of Landmarks Advisory Board, came forward and indicated that the group was waiting for the completion of the report before making any definitive statement but that she would answer questions. Mr. Rothenberg asked if the Landmarks Board had considered who would own the building if it were saved, and she responded that the Board had not taken up that matter.

Dr. Williams asked what the position of the Landmarks Board was on retention of the building, and she replied that it was registered as a National Landmark, and as a historic structure the Board would work for its retention. She indicated that an environmental review was requested to be done on the Goodman Building along with the Myrtle Street flats. Both structures were to be studied under a combined environmental impact report and environmental impact statement and judgments cannot be made until the study is completed.

Mr. John Campbell came forward and indicated that he was an architect with Campbell and Wong. He commented on the many people working to save the building which had architectural interest and noted that there were good artists in the building. He indicated that the building should be saved for use as low-cost housing for artists.

Mr. Mervyn Goodman came forward and indicated that in an October 19, 1976 letter from Mr. Evans to Supervisor Barbagelata it was pointed out that the Agency has a board which is unacquainted with the Goodman Building and that the ten-minute time limit was inadequate to enlighten them. President Kaplan asked Mr. Goodman if he was willing to buy back the building, and Mr. Goodman referred to the November 4, 1976 letter he sent to Mrs. Helen L. Sause Assistant Agency Secretary, in which he indicated his intention to reacquire title to the entire property which was taken by the Agency and that he believed the building should be returned in the same physical condition as when it was taken from him, or else compensation should be made to him. He indicated that negotiation of the sales price should be in a similar manner as the sale of property to the ILWU.

Mr. Goodman indicated that he wanted to have the entire property restored to him and expressed his belief that the landmark designation as a historical structure was ridiculous. Mr. Goodman alleged that it has cost the Agency over \$225,000 in legal fees and that now Mr. Maisin had given up his legal claim on the property and the entire property was to be put up for sale. Mr. Ury informed him that the Board of Supervisors was interested in ascertaining if the building was costing the taxpayers money. He indicated that Mr. Ury estimated the cost of rehabilitation to be \$350,000 to bring it up to code requirements plus the acquisition price of \$220,00 for a total of \$570,000. In his opinion this cost was above



SPECIAL APPEARANCES (continued)

what the Goodman Group would be willing to pay and noted that a lender could not get his money back. He stressed that rents would have to be charged which were more than the present occupants would be willing to pay. He also indicated that this violated the requirement that the Agency provide decent and safe housing at rents people could afford. He believed that the alternatives before the Finance Committee was either rehabilitation of the building to code for residential use charging nominal rents through use of State and City subsidies, or to place the building on the market which would require eviction of the present tenants. He alleged that the Agency is subsidizing the housing costs of thirty to forty illegal tenants and that the City does not receive any taxes on this property. He believed that a taxpayers' suit will be filed on this misuse of public funds. He asked if all the property was going to be sold. President Kaplan indicated that only the Goodman Building was under consideration. Mr. Goodman indicated his belief that the Supervisors had wanted him to be allowed to negotiate on the property, and provided the Members with excerpts of a transcript of proceedings for the Agency meeting of January 14, 1975, news clippings, and other material.

Mr. Wexler indicated that he understood that Mr. Goodman's primary desire was to acquire all the property he once owned. Assuming that the Goodman Building is the only one now being dealt with, Mr. Wexler asked Mr. Goodman if he had an interest in acquiring that building. Mr. Goodman responded that he definitely would be interested. Mr. Wexler inquired about the use Mr. Goodman would make of it and who would occupy it. Mr. Goodman indicated that he would live up to the Redevelopment Plan requirements which called for demolition of the building. In response to Mr. Wexler's inquiry, Mr. Goodman noted that since the Plan provided for demolition, the matter would have to go before the Board of Supervisors for a Plan change. Mr. Wexler indicated that if the building was to be retained what would Mr. Goodman plan to do with it. Mr. Goodman indicated he would try to rehabilitate the building if it were financially sound to do so, but expressed doubt as to the economic feasibility of rehabilitation.

Dr. Williams indicated that Mr. Goodman had friends who supported him and that the Members were receiving enough information to make a decision. Mr. Goodman noted his appreciation for the Members' interest and indicated that he had given money to paint the building which indicated how he felt about the structure.

Ms. Shelley inquired how Mr. Goodman thought about the alternatives being considered in the Marquis study concerning (1) low-cost housing, (2) artistic activities, and (3) preservation of the historical building. Mr. Goodman indicated that the building had been out of his possession for three years and although the Plan calls for demolition, he believed it should be preserved. Ms. Shelley asked about the question of long-term leases, and Mr. Goodman indicated that the building had been in the family for 75 years and he wanted the property returned to him and was willing to cooperate, including giving long-term leases.

Mr. Rothenberg indicated that it was not the intention of the Members to act or take final action today and suggested that a date be established to consider the matter further.

Dr. Williams indicated his sympathy for Mr. Goodman and recalled his struggles with the Agency as a member of WACO which resulted in formation of the Western Addition Project Area Committee (WAPAC) speaking for the citizens of the area. He suggested that Mr. Goodman prepare a proposal stating exactly what he wants to do with the property. He indicated his appreciation for Mr. Goodman's problems but believed that the Members could not react to comments but needed a serious proposal that could be considered. The Agency may not accept the proposal but



SPECIAL APPEARANCES (continued)

the Members needed to see what Mr. Goodman had in mind. Mr. Goodman indicated that to come up with a proposition one has to make a deposit, obtain financing, and see about tenants. He indicated that the Agency owns the lot next to the Goodman Building and that the two parcels should be together and he had no authority to solicit tenants for the Van Ness Avenue lot, although he would like to do this. President Kaplan indicated previous opportunities were provided for Mr. Goodman to purchase the property. Mr. Evans noted that in 1969 the entire property was first offered to the general public, and Mr. Goodman did not submit a proposal. The Members rejected the proposals received at Mr. Goodman's request and reoffered the property. Mr. Goodman still did not submit a proposal but indicated that he wanted all the property back with compensation for expenses.

Mr. Goodman suggested another meeting with the new Members, but Dr. Williams reiterated that there was no need for this and all the Members needed was a viable proposal. Mr. Goodman indicated he would prepare his proposal within the next three weeks.

Mr. Evans indicated that Mr. Goodman had commented that Mr. Maisin had offered to sever his agreement to buy the entire parcel. He also indicated that the Myrtle Street flats were included in the National Register landmarks designation in error.

Mr. Wexler indicated the Members would appreciate having Mr. Goodman submit a proposal for the property relating only to the Goodman Building and another with this building and the Van Ness Avenue frontage. Mr. Goodman asked that the Agency put the price on the property and that he would make an offer. President Kaplan indicated the price was in the previous offer. President Kaplan asked that he submit an offer which Mr. Goodman agreed to do.

Mrs. Bland Platt came forward and indicated she wished to clarify the placement of the Myrtle Street flats on the National Register, noting that although originally there may have been an error these flats are now on that record on their own merit.

Mr. Rothenberg asked that this matter be held over until the first meeting in January.

MOTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that consideration of the proposal for the Goodman Building be calendared for the first Agency meeting in January 1977.

Mr. Evans noted that Mr. Goodman was to submit a proposal within two to three weeks and indicated that staff would send a letter to Mr. Goodman confirming this request.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Phase II to the National Housing Partnership, Hunters Point Approved Redevelopment Project Area NDP A-5.

- (b) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Phase II to the National Housing Partnership, Hunters Point Approved Redevelopment Project Area NDP A-5. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.



SPECIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel D-2(f), Diamond Heights Approved Redevelopment Project Area B-1.

- c President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel D-2(f), Diamond Heights Approved Redevelopment Project Area B-1. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 779-H, Western Addition Approved Redevelopment Project Area A-2.

- (d) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 779-H, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The 1977 Community Development Application to the Department of Housing and Urban Development (HUD) which included this Agency's funds was calendared before the Board of Supervisors yesterday but the Board postponed this item a week to provide time to review a letter sent by the Mayor requesting that certain reductions recommended by the Finance Committee be rescinded.
- (b) A bid opening was held today on project loan notes for the Embarcadero-Lower Market and Neighborhood Development Program projects. The interest rates ranged from 2.95 percent to 3.11 percent and United California Bank bid 2.95 percent on \$3,495,000 for the Embarcadero-Lower Market project, which replaces notes at 3.60 percent on \$3,395,000. The interest range on the Neighborhood Development Program projects was from 2.78 percent to 3.11 percent on \$2,095,000 and Bank of America bidding with Continental Illinois National Bank and Trust Company of Chicago and Merrill Lynch, Pierce, Fenner and Smith, Inc. was the successful bidder at 2.78 percent, which replaces notes at 3.09 percent totaling \$2,990,000.
- (c) The court trial of Mr. Morris E. Phillips, Area Director of Hunters Point and India Basin, is now proceeding but there is nothing to report as of this moment.

UNFINISHED BUSINESS

- (a) Resolution No. 189-76 authorizing an amendment to the contract providing for the participation of the Redevelopment Agency of the City and County of San Francisco in the Public Employees Retirement System, making its employees members of said system.
- (b) Resolution No. 199-76 awarding Demolition and Site Clearance Contract No. 45, Yerba Buena Center, to Economy Land Clearing and Wrecking.

Mr. Evans indicated that both these items would be held over pending additional information, as requested by the Members.



NEW BUSINESS

- (a) Resolution No. 193-76 authorizing the Executive Director to enter into an agreement contemplating a disposition of land for federally subsidized private housing development with the National Housing Partnership, a limited partnership, covering Phase II; and making certain funding and determinations in connection therewith, Hunters Point Approved Redevelopment Project Area, NDP A-5.

Mr. Evans indicated that Items (a) through (d) were related. This item was the subject of a public hearing just held and concerns execution of the Master Disposition Agreement for Phase II consisting of 600 units to the National Housing Partnerships. Disposition of each of the five sites will be by addendum to the Master Agreement. Sites A and B are calendared today for approval and Sites D and E are to be delivered in 1977, with Site C in 1978. The cost of the land is based on \$500 per unit. Of the 600 units to be built by National Housing Partnerships, the last 200, or one-third, are anticipated to be in home ownership of either condominium or cooperatives.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 205-76 authorizing the Executive Director to execute Addendum No. 1 to an agreement contemplating a disposition of land for federally subsidized private housing development and execute deed of conveyance of Site A, Phase II, to the National Housing Partnership, a limited partnership, and approving subsequent conveyance thereof to La Salle Apartments, a limited partnership, Hunters Point Approved Redevelopment Project Area A-2.

This is the first amendment to the Master Disposition Agreement conveying Parcel A to the mortgagor entity, "La Salle Apartments", which is composed of 99 percent of the National Housing Partnership and one percent of Jona Goldrich, Sol Kest, Robert Hirsch, and Robert Stern. A firm commitment is ready to be issued by November 15, 1976. The sales price for the 145 units of low and very low income housing is \$72,500.

Ms. Blomquist inquired if the community was involved as a sponsor for Phase II, and Mr. Evans replied negatively. In response to Ms. Blomquist's inquiry as to if there would be community involvement in Sites A or B, Mr. Evans also replied negatively, indicating that the community would only be involved in reviewing plans.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 211-76 authorizing the Executive Director to execute Addendum No. 2 to the agreement contemplating a disposition of land for federally subsidized private housing development and execute a deed for conveyance of Site B, Phase II, to the National Housing Partnership, a limited partnership, and approving subsequent conveyance thereof to Shoreview Apartments, a limited partnership, Hunters Point Approved Redevelopment Project Area A-2.

This concerns Addendum No. 2 to the Master Disposition Agreement with the National Housing Partnership for transfer of Site B to the mortgagor entity, "Shoreview Apartments" consisting of 99 percent National Housing Partnership and one percent Jona Goldrich, Sol Kest, Robert Hirsch, and Robert Stern. A firm commitment is to be issued about November 15, 1976. The sales price is \$78,000 to be concurred in by HUD for the 156 units of varied income range.



NEW BUSINESS (continued)

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- d) Resolution No. 212-76 authorizing execution of indemnity agreement in connection with Sites A and B, Phase II, Hunters Point Approved Redevelopment Project Area A-2.

This concerns indemnification of the Founders Title Company and Title Insurance Company of Minnesota who are managing the escrow and title work for Sites A and B in Phase II of Hunters Point against claims or liens concerning site improvement work. The Agency is fully protected by contractors' performance bonds and this indemnification will prevent the usual delay of thirty days after construction is completed to clear any mechanic's liens that may arise.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- e) Resolution No. 213-76 awarding Personal Services Contract IE-14, India Basin Industrial Park to Jordan and Associates, Inc.

This represents a contract for engineering services with Jordan Associates, Inc. not to exceed \$121,211 for a two-year duration to prepare plans and specifications for the estimated \$5.5 million site improvement work in the India Basin Industrial Park project. The work includes earthmoving, surcharge placement and removal, final grading, landscaping, and sidewalks. Mr. Rothenberg inquired if some streets were not necessary would the firm's contract be reduced accordingly, and Mr. Evans answered affirmatively.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- f) Resolution No. 190-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel D-2(f), Diamond Heights Approved Redevelopment Project Area B-1.

This item was the subject of the public hearing just held and concerns sale of Parcel D-2(f) on Beacon Street in Diamond Heights for \$13,000 to Mr. and Mrs. George Rescalvo to construct a single-family residence for their own use. Originally the parcel was under disposition to two other individual contractors who were unable to go forward due to increased costs and high interest rates.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- g) Resolution No. 214-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 779-H, Western Addition Approved Redevelopment Project Area A-2.

This item was also the subject of a public hearing just held and concerns the sale of 924 Fulton Street, consisting of a 12-unit apartment building, for \$77,000 to James J. Doherty, the highest of seven bidding certificate holders. Rehabilitation work is estimated to cost \$200,000 and work will commence around the end of the year.



NEW BUSINESS (continued)

Mr. Rothenberg asked if bids were received from noncertificate holders, and Mr. Gene Suttle, Area Director of Western Addition A-2, replied affirmatively but added that these were not opened. Mr. Wexler inquired if the Agency were required by law to give certificate holders preference, and Mr. Evans indicated that it was an Agency policy to offer property to all certificate holders first.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- n) Resolution No. 215-76 approving and authorizing execution of amendment to agreement for services (economic-reuse appraisal-consultation) applicable to all San Francisco project areas.

This represents an increase of the Real Estate Research Corporation agreement by \$15,000 to the new maximum of \$48,000 and extends that agreement to December 31, 1977. Services to be provided are reuse appraisal reports and valuations for disposition purposes. Mr. Evans indicated that the services of an outside appraiser were necessary when property is sold and to fulfill the HUD requirement that property value is established by outside appraisers, as well as when working with banks to obtain rehabilitation financing.

Mr. Rothenberg asked if it was more economical to have an outside firm do this work, and Mr. Evans answered affirmatively and noted also that it was a HUD requirement that there be an independent appraiser. Mr. Wexler inquired if there was anyone on the staff that could do this work, and Mr. Evans replied that some of the work was done by staff but HUD required independent appraisers who could also be used for expert testimony at court trials.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



76

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
16TH DAY OF NOVEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 16th day of November, 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Hannibal Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

and the following was absent:

James A. Silva

The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Robert Singer, representing Testing Engineers, Inc.; Arnold Townsend, Mary Rogers and Wade Woods, representing WAPAC; and Welton Flynn, representing Pyramid Development Co.

Representing the press were Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Williams, and unanimously carried that the minutes of the Regular Meeting of November 9, 1976, be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 13, 14 and 15 and a portion of 16 and 17 (east side of Mendell between Evans Avenue and Newhall Street), India Basin Approved Redevelopment Project Area.

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 13, 14 and 15 and a portion of 16 and 17 (east side of Mendell between Evans and Newhall Street), India Basin Approved Redevelopment Project Area.

There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.



REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Agency has been advised that two developments in the Western Addition have been awarded HUD Bicentennial awards. Since only 24 developments received such recognition nationally, these awards are ones of which the Agency is particularly proud. However, the Agency's projects have won the HUD Bicentennial awards each of the seven years the awards have been given. The two new awards are for the restoration of Victorians and for the Buchanan Mall. The Buchanan Mall is one of the Agency's most significant achievements and has turned the five blocks of Buchanan Street into a neighborhood park. This was made possible with the aid of WAPAC and is the most used public spaces in San Francisco. The panel also recognized the quality of the restoration of nearly 200 homes and flats, the majority of which are Victorian architecture and historical merit.
- (b) On Monday, November 15, the Board of Supervisors approved the City's community development application which includes the Agency's funds for 1977. There were essentially no changes in the budget approved by the Finance Committee which reduced the Agency's funds by \$1.5 million.
- (c) The Golden Gateway Redevelopment Plan change will be heard by the Board of Supervisors next Monday. The Planning Commission acted on the plan change last week. This will complete the approvals necessary for the construction of the third phase to commence. It is noteworthy that this plan change has taken since last April to complete and it was essentially a non-controversial issue.
- (d) A dinner will be held Thursday, November 18, at the Hyatt Regency Hotel at 7:00 p.m. in honor of the late M. Justin Herman which is sponsored by the National Housing Conference, an effective organization in the housing field.
- (e) Mr. Evans recalled that he had sent the Members a memo on selection of a landscape architect for design of the four-foot wide concrete median strip which runs the length of Diamond Heights Boulevard. For several years the Agency, the Diamond Heights Neighborhood Association, and the City have wanted to soften the appearance of this median strip with planting. Money has been made available to plant the area for approximately nine months, but Mr. Evans noted that the Department of Public Works has notified the Agency that the Department is too busy to prepare the design. Therefore, Agency staff interviewed three landscape architectural firms and recommended that the preferred company of Michael Painter and Associates be selected for negotiation of a contract. The contract is estimated to cost between \$3,500 to \$5,000.

The policy for selection of consultants requires staff to canvass the field to find three consultants, invite them to an Agency meeting wherein the Members designate a firm for contract negotiation. Mr. Evans proposed that since this was a small contract, this process be abridged and staff negotiate the contract with the preferred firm, then bring it to the Members for approval, rather than having three consultants appear for



REPORT OF THE EXECUTIVE DIRECTOR (continued)

interviews. Mr. Evans noted that the policy was developed for large contracts and recommended that the procedure be modified so that contracts of less than \$7,500 be exempted from the procedure. Staff would then recommend approval of the firm and the negotiated contract. He stated that if the Members concurred in selection of Michael Painter and Associates and modification of the procedure, both actions could be handled by motion at this meeting.

Ms. Shelley indicated that she questioned the modification of the procedure because she wanted the benefit of the thinking of the other Members. She noted that she considered a \$7,500 contract of significance and did not want to abdicate her responsibility to consider such matters.

Mr. Rothenberg noted that at an unofficial meeting during the President's absence a large contract was discussed and three firms were interviewed by the Members. He indicated the Members' difficulty in deciding on the basis for selecting from three firms which staff indicated were equal in technical competence. At that time the issue of contract cost was raised. He suggested that firms be ranked by such factors as technical competence, affirmative action, records and fee.

Dr. Williams indicated his willingness to interview firms even on small contracts since thousands of dollars are still involved. He noted that it was of particular importance to ascertain the affirmative action program, particularly on small contracts as these are most often the ones in which minority persons can participate.

Mr. Rothenberg suggested that staff consider the Members' comments and submit an appropriate procedure for Member consideration.

It was noted by Mr. Evans that affirmative action is one of the criteria for evaluation of consultants by staff and that staff would include such information in material being sent to the Members. However, the matter of considering the fee to be charged by different firms becomes an issue of professional bidding ethics. In response to the suggestion of Mr. Rothenberg that firms submit an estimated number of hours and a dollar figure per hour, Mr. Evans noted that while there is an estimated maximum, a figure cannot be arrived at until the staff and consultant actually negotiates the scope of services. Otherwise it becomes a bidding procedure which is not within the scope of professional ethics.

Mr. Wexler inquired whether a letter could be sent to the three most qualified firms, requesting them to submit their cost estimates for the Members' consideration in making their selection. Mr. Evans indicated that staff would evaluate the matter and make a recommendation to the Members.

The Members indicated that they wished to continue the existing procedure and requested that the matter be calendared for the next meeting.



UNFINISHED BUSINESS

- (a) Consideration of extension of disposition agreement dates for the Pyramid Development Company, Inc., Parcels 726-A and 731-A (Fillmore Center), Western Addition Approved Redevelopment Project Area A-2.

Mr. Evans noted that staff recommended that the Members consider the extension of the dates for submission of evidence of mortgage financing for one year on the Pyramid Development Company (PDC).

Mr. Welton Flynn, representing Pyramid Development Company, Inc., came forward and addressed the Members, giving a brief background of the efforts to develop the Fillmore Center. He explained that in 1973 PDC had begun serious negotiations with Montgomery Ward to be an anchor tenant in the Fillmore Center, but was subsequently unexpectedly notified that Wards was no longer interested. Following this, PDC then began negotiating with the Postal Service for location of a postal center as a major tenant, but this plan was objected to by the community and the Agency. In 1974, when PDC received the 120-days exclusive negotiating rights, it had already spent \$5,000. He then noted a number of other impediments that had occurred, including discovery that a fire zone prevented the proposed development. This requirement was eventually waived and work has proceeded in preparing the environmental impact report and soils tests. PDC has also had appraisals done and prepared a financing package for review by two lending institutions. A large insurance company advised it would consider the loan of 75 percent of the appraised value when PDC signed up tenants for one-third of the development. Mr. Flynn noted that now another prospective tenant, the Bank of America, may participate in the Center.

Mr. Flynn also noted that, in the past, there had been some criticisms of PDC by the community and WAPAC; however, there have been meetings with WAPAC and it is now believed that a working relationship has been developed.

Mr. Flynn added that WAPAC has expressed concern that there is no master plan for the Fillmore Center and that this is also of concern to PDC. He further noted that short extensions of time were a problem for PDC since each requested extension involves a great deal of work and PDC has no paid staff. He noted that to date PDC has expended \$150,000. In addition to the improved working relationship with WAPAC, PDC has had meetings with the Mayor, who has offered his assistance and as recently as this week, PDC has been notified of what is considered to be a source of equity money. A meeting is scheduled for next Monday morning with this financial source, which may evolve into a new financial package.

In response to Mr. Rothenberg's inquiry, Mr. Flynn noted that PDC was in a technical state of default and had not continued to solicit tenants. Mr. Flynn stated that the prospective financing source would not require tenants. Mr. Rothenberg inquired what Mr. Flynn would consider to be reasonable evidence of progress within the three to six months, and Mr. Flynn responded that PDC would appear and report at quarterly intervals. Mr. Wexler commented on the inwardness of the proposed PDC plan for the Fillmore Center and noted that it was quite different from other successful



UNFINISHED BUSINESS (continued)

street-oriented developments, such as Chestnut Street and Polk Street. Mr. Flynn indicated that he did not believe Fillmore Street was comparable to the other streets mentioned and noted that it was intended that the Fillmore Center would appeal not only to the community but to the entire City. He also indicated it would fill the need for professional office space in the Western Addition. Discussion followed on the potential the Center had for drawing people from the entire City. Mr. Wexler then inquired if housing had been considered in the Center and Mr. Flynn answered affirmatively, noting that it was a consideration in the early days of planning the Center; however, PDC is not now considering housing.

In response to Ms. Shelley's inquiry if the Fillmore Center was to be a development similar to Stonestown and if parking was sufficient for shoppers as well as for the offices. Mr. Flynn noted that it would be different from Stonestown and that there would be sufficient parking. He added that the Center would also be ideal for nighttime entertainment.

It was moved by Dr. Williams that subject to the requirement that PDC to renew its letter of credit of \$26,967 a 120 day extension be granted to PDC with the condition that if satisfactory progress is being made, the Members would, by the end of that time, grant another 120 day extension and perhaps a total of a one-year extension.

Arnold Townsend, Chairman, WAPAC, then addressed the Members and read into the record a letter to Walter Kaplan from WAPAC dated November 16, 1976, supporting PDC's request for a one-year extension. A copy of this letter is attached as a true and correct copy.

Mr. Townsend expressed the need for a master plan for the Fillmore Center, and noted that it would take approximately a year to prepare such a plan. Discussion followed on the means to induce viability into the area. Mr. Townsend stressed the need for a master plan committee with evidence of City support for the plan.

Mr. Wade Woods, WAPAC Planning and Development Committee, spoke in support of the one-year extension provided that PDC work along with the proposed Master Plan committee.

Mr. Wexler expressed concern that it would be unfair to encourage PDC by extending its negotiating rights while a master plan was being prepared which might conflict with the proposed development. Mr. Woods noted WAPAC did not want to discourage a potential developer and felt that WAPAC and PDC could work together.

Mr. Flynn stated that PDC has invested funds in development of the two blocks of the Fillmore Center and it would not be fair for PDC to have to wait while a master plan was being prepared.

Ms. Mary Rogers, WAPAC chairperson, came forward and spoke in support of the proposed one-year PDC extension. She stressed that the master plan preparation presented no conflict because Mr. Flynn had indicated his willingness to work with WAPAC.



UNFINISHED BUSINESS (continued)

Ben Stewart, WAPAC Deputy Director, also commented on the proposal, indicating that each developer tended to see only his own development and he stressed the need for a comprehensive view of the area.

Mr. Evans commented on the visual appearance of the PDC proposal for the Fillmore Center and noted it was on a small scale in keeping with the general area.

MOTION: It was moved by Dr. Williams and seconded by Mr. Rothenberg that a 120-day extension be granted PDC for the disposition agreement dates with 120 days to be considered at the expiration of that period in Western Addition A-2.

Mr. Flynn then stated that he was not authorized by the PDC Board to accept an extension of less than one year.

Dr. Williams noted he had heard of issues that would necessitate the preparation of a master plan including concerns that the senior citizen development was not well located. He then commented on PDC's expenses to date in relation to the extent of the proposed development and regretted that PDC would not accept his motion.

MOTION: Dr. Williams moved to withdraw his motion for the extension and Mr. Rothenberg withdrew his second.

MOTION: Mr. Rothenberg moved and President Kaplan turned the Chair over to the Vice President and seconded the motion for a one-year extension of the PDC agreement for the Fillmore Center, Western Addition A-2.

On a roll-call vote, the following voted aye:

President Walter Kaplan

The following voted nay:

Hannibal Williams  
Dian Blomquist  
Alan Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

The following abstained:

None

The President declared the motion failed.

Arnold Townsend requested that the master plan for the Fillmore Center be placed on a future agenda.



UNFINISHED BUSINESS (continued)

- (b) Awarding Demolition and Site Clearance Contract No. 45, Yerba Buena Center, to Economy Land Clearing and Wrecking (Imperial Hotel at 140 Fourth Street).

This matter asks for authority to award to the low bidder a contract to demolish the Imperial Hotel in Yerba Buena Center. The low bidder was Economy Land Clearing and Wrecking in the amount of \$14,999.

Ms. Blomquist expressed her opposition to this contract and stressed her desire to explore the possibility of retaining the hotel until a developer was ready to proceed on the site. She indicated that she had spoken to several groups in the area regarding possible use of this building.

Mr. Wexler indicated that he had requested additional information on the building concerning its use for other purposes. He suggested that the demolition be delayed.

Mr. Kaplan noted that it had taken several years to work out an agreement with TOOR to allow demolition of this building and to relocate the tenants. In addition, the land was under a disposition agreement. He noted that the building was the only one left on the parcel and expressed concern about its re-occupancy.

Mr. Rothenberg noted that he needed more information and asked if it could be provided prior to the next meeting. Mr. Evans noted that the additional information could be obtained, but it would take time to obtain and urged proceeding with the demolition of the building on the existing recommendation. He said that it is a seriously deteriorated fire trap. He stressed the potential danger of loss of life from fire. Further, he noted that the building does not meet any of the codes.

Ms. Blomquist noted that there were other possible uses such as using only the ground floor. President Kaplan and Mr. Evans again stressed that the building was infeasible to rehabilitate and strongly urged that it be demolished. Mr. Evans referred to the Degenkolb report of 1972 which stated that the building was not capable of surviving an earthquake. Mr. Wexler noted that even after receiving the Degenkolb report the Agency had continued to permit the building to be occupied. He requested that an analysis be made of the building to ascertain the feasibility of retaining it for temporary occupancy until development of the site could be commenced. Mr. Wexler expressed concern that the Agency had previously acted too hastily in demolishing buildings that were still usable. Dr. Williams noted his belief that the Agency had a fundamental responsibility not to endanger people but that it was also fundamental that matters should not be voted on when the Members have not received information they have requested.

The Members requested more information and the President directed that the matter be held over one week.

- (c) Authorizing an amendment of the contract providing for the participation of the Redevelopment Agency of the City and County of San Francisco in the Public Employees' Retirement System, making its employees members of said system. (Resolution No. 189-76.)



UNFINISHED BUSINESS (continued)

Mr. Evans noted that this matter had been held over until information on the new retirement system adopted by the voters in the November election, Proposition L, could be sent to the Members. This material has now been provided. As previously indicated, the Agency is required to have comparability to City employees. However, since the Agency is not able to join the City's retirement system, it has the State Public Employees' Retirement System (PERS). The State law has recently been changed to permit an automatic cost-of-living increase from two percent to five percent and this amendment would permit the Agency's retired employees to enjoy a higher level of benefits. The provisions of Proposition L establish a retirement system which after November 1, 1976, will provide a cost-of-living allowance of two percent per year. Mr. Evans noted that the new City system appeared to be less beneficial than the PERS system, but in August, when the proposal had been originally approved by the Members, the City's existing plan was more favorable.

Ms. Blomquist noted that she had obtained information on the proposed increase which indicated that only two entities in the State system had amended their systems to the maximum allowed of five percent.

Discussion followed on the comparability of the City and State plans and Mr. Wexler suggested the Members evaluate the effect of Proposition L by adding a third column to the information provided on the proposed PERS and City System. He noted the following major areas of comparison:

	<u>PERS(as Prop'ed)</u>	<u>City</u>	<u>Proposition L</u>
Ret. Formula	2% for ea svc yr at age 60	2% for ea svc yr at age 60	1 2/3% for ea svc yr at age 60
Employer Contrib.	11.34%	18.426%	Not determined
Employee Contrib.	7%	5.97 - 9.81%	7 1/2%
Minimum Ret. Age	50	50	50
Cost of Livg Allowance	5%	2%	2%
Salary base for comput- ing Retirement	Hgst 3 yrs exc'g Overtime	Hgst 1 yr inc'g Overtime	Hgst 3 yrs exc'g Overtime

MOTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that the Members reject the proposed amendment to the PERS agreement which would have provided an automatic cost-of-living increase to retired employees of five percent and recommended that staff develop a proposal which would make the Agency's plan comparable to the City but not exceed its provisions.



UNFINISHED BUSINESS (continued)

Kenneth Henry representative of the Civil Service Association, Local 400, SEIU, AFL-CIO, requested that staff work on this matter and include union representatives.

NEW BUSINESS

- (a) Resolution 217-76 approving sale of Parcels 13, 14, 15 and a portion of 16 and 17 to Crow-Spieker-Hosford #32 and the minimum disposal price; ratifying and confirming publication of Notice of Public Hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin (Butchertown) Approved Redevelopment Project Area.

This matter concerns a development to be carried out by a joint venture of a Trammell Crow subsidiary and represents another very significant development in India Basin. Mr. Evans noted that last week the Members authorized the engineering work for the street and the disposition date for this parcel is closely tied to construction schedules. The disposition price of the land is \$292,800. A building of approximately 64,500 sq.ft. will be constructed for lease to industrial users. The preliminary plans are to be submitted in April 1977, with final plans and evidence of financing are due in June.

In response to Mr. Wexler's inquiry, Mr. Evans advised that the purchase price was at fair market value which was concurred in by HUD.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 216-76 approving Change Order No. 14-16 to Site Improvement Contract No. 14, Hunters Point NDP A-5.

Authorization is requested to execute a change order to the contract with the DeNarde Company for the improvement work for housing in Site A, in Phase II. The unit prices for this work are established in the bid, but the quantity of the work occasionally varies in the field. In this case, the amount of concrete calculated in the retaining wall was less than the amount needed to be placed. Also, changes in footings were found to be necessary. Mr. Evans indicated that these resulted from changes in quantities which occurred in this type of work. The change order is in the amount of \$60,517 at the unit price in the bid plus a 14-day time extension.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (c) Consideration of selection of Testing Engineers, Inc., to provide civil engineering services for Hunters Point.

This matter relates to construction in the Phase II area and the need for testing materials being used in this site improvement work. It is proposed that a contract be negotiated with Testing Engineers, Inc., for approximately \$60,000. Mr. Evans noted that the Agency's consultant selection procedure was followed when this firm was selected to provide testing analyses for materials in the Hunters Point and India Basin projects in October, 1974.



NEW BUSINESS (continued)

Now, the volume of construction within the Phase II area is proceeding and it will be necessary to either add considerable staff or expand consultant capacity to test the materials being used on the job. Because of the relatively short duration of this work, it is recommended that the present contract with Testing Engineers, Inc., be amended to provide inspection services on an as-needed basis. The proposed amendment will provide an additional 2500 hours of service as needed.

In response to Mr. Rothenberg's inquiry as to why the staff recommended use of Testing Engineers, Inc., Mr. Evans responded that the firm was on the job, had performed well, and it was desirable to provide consultant continuity in the work.

Discussion followed on the number of hours needed to do the work and Mr. Redmond Kernan, Director of Engineering, reiterated that this amendment would provide inspection on an on-call through the year and represented one and one-quarter inspection time.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and adopted unanimously, that the amendment be approved.

Ms. Blomquist commented on the large amount of the change order and noted that if this amount was added onto the low bidder's bid proposal it would have altered the order of the bids. Mr. Evans noted that it would have been necessary to add this amount to any one of the contracts, thus not changing the bid order.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Ms. Shelley, and unanimously carried, that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



# WESTERN ADDITION PROJECT AREA COMMITTEE

1956 SUTTER STREET • SAN FRANCISCO, CALIFORNIA 94115 • (415) 922-4026



November 16, 1976

Mr. Walter Kaplan  
San Francisco Redevelopment Agency  
99 Ellis Street  
San Francisco, California 94115

Dear Mr. Kaplan:

The Western Addition Project Area Committee (WAPAC) supports the proposed one year extension requested by the Pyramid Development Corporation. We are supporting this extension because we are presently involved in the creation of a Master Plan Committee for the Fillmore Center. Presently, there is no general master plan for the Fillmore Commercial Center development and we fail to see how a development of this magnitude can ever get off the ground without such a plan.

In putting together such a committee we have talked to and gotten assurances of cooperation from the Mayor's office, Supervisor Terry Francois, City Planning Director Mr. Rai Okamoto, all interested development entities i.e. Pyramid Development Corporation, Dr. Carlton Goodlett as well as members of the banking industry and community workers and residents. It is our belief that it will take at the very least a Year to come up with an overall master plan and that the only way to insure a successful commercial development is with this kind of city-wide interest and support.

I might also add that in the recent past the relationship between Pyramid has certainly improved and while there may not be overall agreement, there is now at



# WESTERN ADDITION PROJECT AREA COMMITTEE

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east some discussion. We sincerely hope that this situation will last and continue to improve regardless of what vote you take here today. It is certainly difficult to wipe out years of hard feelings and distrust and I feel all parties should be commended for trying to do so.

Sincerely,

A handwritten signature in dark ink, which appears to read 'Arnold G. Townsend'. The signature is written in a cursive, flowing style with a large initial 'A'.

Arnold G. Townsend  
EXECUTIVE DIRECTOR



JUL 25 1976

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
23RD DAY OF NOVEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 23rd day of November.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Hannibal A. Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

and the following was absent:

James A. Silva

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress; and Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Wexler, seconded by Mr. Rothenberg, and unanimously carried that the minutes of the Regular Meeting of November 16, 1976, as corrected and as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Agency has received the resignation of Morris E. Phillips, Jr., effective July 8, 1976. Mr. Evans noted that Mr. Phillips' trial was a very saddening experience.
- (b) A disappointing article appeared in the Chronicle last Friday. Mr. Evans indicated that he did not take issue with the facts in the article, but that it was misleading because it did not make people aware that the Agency fortunes have always gone up and down. The Agency is closely tied to national political influences and fiscal policies and has always been subject to the changes in the economy of the country. He recalled that in



REPORT OF THE EXECUTIVE DIRECTOR (continued)

1967 as a result of the national economic status there was practically no development at all in Diamond Heights and that from 1964 to 1966 the Agency was nearly shut down with only 60 to 70 employees. This was caused by State Proposition 14 which prohibited the land sales from containing non-discrimination requirements. Mr. Evans noted other examples of changing emphasis on the solution of urban problems such as the letter received from George Romney, former Secretary of HUD, which was received in 1969 and that San Francisco and other cities would receive no additional funding. At that time, the Agency estimated \$126 million was needed to finish existing projects and a more realistic assessment would have shown that \$180-\$190 million was actually needed. The Agency then began to cut costs and reduce staff to prepare for an era of reduced funding. Further, in 1973 the termination of the Section 236 and FACE programs occurred which greatly affected the Agency's ability to build Hunters Point and Western Addition.

In 1974 the Agency devised alternate sources of funding for rehabilitation and housing to counter this change in national policy. There have also been changing attitudes in the City which have affected the Agency's program. These included a desire for lower density and lower height limits in the City. Such changes in national and city priorities have necessitated constant re-thinking of the directions that the Agency was going. This is reflected in the goals the Agency set. Mr. Evans noted as an example in 1974 the number one goal was to make the Western Addition an integrated community of good quality; second, not to lose Hunters Point but to keep the housing already built and get the remainder under construction; and third, was the completion of Yerba Buena Center. Yerba Buena Center was third because its property value insured that it would be built some day. But Western Addition A-2 and Hunters Point were first because if they were not carried forward to completion the enormous investment in community, federal and local funds would be lost.

Now, in 1976 people are beginning to recognize that Western Addition is a success. Construction of housing in Hunters Point has gained momentum and there is no question but that India Basin is now reaching the potential expected.

In 1977 the new President will effect still different policies. It is hoped that the amount of funding will increase and the national commitment to resolution of urban problems will again become a major priority. The Agency is in an enviable position in comparison to others nationally. The two new tools of rehabilitation and new construction give the Agency an expanded capability.

Mr. Evans expressed the belief that the Agency would continue to experience political upheavals and changes and his disappointment in the Chronicle article was its lack of recognition that this has been an on-going condition through which the Agency has continued effective programs.

Yesterday the Board of Supervisors approved the amendment to the Golden Gateway Redevelopment Plan which the Agency initiated. He noted that this was begun in response to the request from the City to re-evaluate the Golden Gateway for lower density development. It is interesting to note that San



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Francisco Beautiful, SPUR, the Telegraph Hill Dwellers, Downtown Association, Embarcadero Center and the Chamber of Commerce all commended the Agency on its efforts during the hearing. The Supervisors indicated their support of the Agency by approving this amendment by a vote of 11 to 0.

UNFINISHED BUSINESS

- (a) Resolution No. 199-76 awarding Demolition and Site Clearance Contract No. 45, Yerba Buena Center, Economy Land Clearing and Wrecking.

Mr. Evans indicated that additional information had been provided to the Members on this contract which concerns demolition of the Imperial Hotel. He recommended that the contract for demolition of the hotel be awarded since the bid was favorable.

Ms. Blomquist stressed her desire not to demolish the building and noted that she had discussed use of the building with two groups, the Women's Work Furlough program under Sheriff Hongisto and the Reality House West. President Kaplan expressed concern that this would not be a proper use of the property and would be detrimental to the development of YBC. He indicated that use of the building for such programs would make it more difficult to interest investors in the property.

In response to Mr. Rothenberg's inquiry about a previous proposal to locate an educational facility on the site, Mr. Evans answered affirmatively that this had been a possibility but that it would not be developed immediately. Mr. Rothenberg commended Ms. Blomquist for the proposal that the property be put to a use until a developer was found with financing for a use compatible with the plan for the area.

Mr. Rothenberg noted that the re-uses proposed by Ms. Blomquist skillfully utilized the building without presenting a future relocation problem and indicated that the Members could reject the demolition contract without betraying the concept of YBC. Mr. Wexler indicated his support for Mr. Rothenberg's statements to the extent that the Members would not have to make a decision on demolition of the building today and that this would not be a permanent re-use. He reiterated his original concern about tearing down a building that had some use, particularly when immediate development of the site was not planned. He indicated his concern with regard to the commercial portion of the hotel and referred to a document which staff had provided which listed the various commercial inhabitants of the hotel and the adjacent building. In accordance with the request from Mr. Wexler a true and correct copy of that document is attached and made a part of these minutes. Mr. Wexler noted that the location is only a half block from Mission Street and not only has good potential for use but provides services to the adjacent senior citizen housing. He stressed that the businesses in the buildings had been there 10-25 years and it was a disservice to the City to take those commercial uses out of service until development is ready to proceed. He noted that staff had indicated that development would not occur on the site for at least a year, and that while it might be too late to have the businesses re-occupy the space, he was anxious to hear proposals from groups for interim uses. He also felt that no action should proceed until the Agency had determined the costs to make the building safe.



UNFINISHED BUSINESS (continued)

In response to an inquiry from Ms. Shelley, Agency General Counsel, Tilden Edwards, indicated that there was a possibility of lawsuits stemming from the Agency displacing one set of tenants with a view to demolishing the building and then re-leasing the building to another set of tenants. Mr. Edwards noted that such suits are possible whenever one changes one's mind, but expressed his opinion that this was not a serious threat on this building. Ms. Shelley then asked the opinion of the other Members on the morality of forcing out one set of tenants and moving in others.

Mr. Rothenberg commented that in the past the Agency had placed a higher value on structures than on their inhabitants. He noted that if there was now a valid financially feasible project before the Members, it would make sense to demolish the building, but since that is not the case and the people have been relocated from the building, it makes sense to put some group in there who could use this type of building and equally willing to move out when a developer is ready to proceed.

President Kaplan recalled that the Imperial Hotel was a part of the TOOR Agreement wherein four housing sites were set aside in exchange for TOOR giving up several hotels. By agreement, the hotel was to be kept for two years and then torn down and the property developed for its designated use as a commercial site. President Kaplan stressed his belief that retention of the hotel was detrimental to the project.

Mr. Wexler noted that the morality of the issue raised by Ms. Shelley was a good point, and that the new Members should decide what they think is in the best interest of the City. Mr. Wexler asked staff to provide a list of all buildings in which relocation was occurring but development was not imminent.

Dr. Williams commented that after having looked at the Imperial Hotel, it was necessary to have more information before making a decision. He suggested that an unbiased engineering evaluation be made on the property and recommended holding the matter over until such a report is obtained. He noted that there seemed to be some difference of opinions among the Members but felt that this was a valid human concern for making the best use of the building.

President Kaplan suggested that the Members vote on the resolution and if it is voted down, then have an engineering study made of the property.

MOTION: It was moved by Mr. Wexler and seconded by Mr. Rothenberg that this resolution be rejected and that an engineering study be made of the Imperial Hotel, YBC.

On roll-call vote, the following voted aye:

Vice President, Williams  
Ms. Blomquist  
Mr. Rothenberg  
Ms. Shelley  
Mr. Wexler

The following voted nay:

President Kaplan



UNFINISHED BUSINESS (continued)

The following abstained:

None

The President declared the motion carried.

Mr. Evans asked the Members for clarification of the Members' intent to use the building. Dr. Williams indicated that in order to make such a judgment, it was necessary to have an outside engineer's opinion on the feasibility of re-occupancy of the building. Mr. Wexler stressed that this evaluation was to cover the commercial area as well as the residential, to which Dr. Williams agreed and expressed his concern about small businesses. He indicated that many seem to accept the relocation money and go out of business and that he would like to see more businesses continue but that it was unrealistic to assume that a protective agency could keep the commercial uses viable.

Dr. Williams noted that security was a real problem in the re-occupancy of the Imperial Hotel and in response to his inquiry Wayne DeHart, Supervisor of Residents and Business Services, indicated that five or six breakins had been reported since the hotel had been vacated. Mr. Rothenberg then requested that the engineer report to the Members in person and Mr. Wexler concurred. Ms. Shelley again noted that depending on the engineer's report, the Members can consider the groups who want to use the building.

Mr. Evans noted that it would take an engineer a month to six weeks to prepare his analysis and reaffirmed his understanding that the Members wished the study to be based on minimum repairs at minimum costs to allow the building to be used on an interim basis for up to two years for both commercial and residential.

In response to Dr. Williams' inquiry as to the process to be used in selecting an engineer, Mr. Evans asked if the Members wished to have him list some engineers and then they would select one to do the work. Mr. Rothenberg indicated that there were several architects and engineers in the City who were experienced with this type of work. The structural engineer Henry Degankolb was discussed, but it was the consensus that he not be considered since he had earlier inspected the hotel and could only be expected to reaffirm his earlier recommendation that the building was unsafe and had to be demolished. Mr. Evans indicated that a list of names would be sent to the Members next week from which they could follow the Agency's selection process.

MOTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that the Executive Director submit appropriate engineers for the consideration of the Members at their next meeting for selection of a consultant to analyze the costs necessary to make the minimal repairs in the Imperial Hotel for interim re-occupancy.

- (b) Consideration of Default Notice for Pyramid Development Corp. on Parcels 726A, D and 731A, Western Addition A-2.



UNFINISHED BUSINESS (continued)

Mr. Evans noted that the proposed time extension for submittal of the financial statement of Pyramid Development Corporation had been rejected at the last meeting and recommended a notice of default be sent to Pyramid Development Corporation. He indicated a draft letter which he had prepared to send to PDC was before the Members. This letter advises PDC of two breaches of contract, both of which must be cured, the first concerns lapse of the security deposit of \$26,900 and must be submitted within 30 days and the other of evidence of equity capital and mortgage financing must be provided within 60 days.

MOTION: It was moved by Mr. Wexler, seconded by Mr. Rothenberg and unanimously carried that the Executive Director be authorized to send a letter to Pyramid Development Company advising it of contract breaches on Parcel 726A & D and 731A, Western Addition A-2.

(c) Consideration of a Status Report on the Yerba Buena West Development, YBC.

In response to Mr. Rothenberg's inquiry if a notice of default similar to the Pyramid Development Corporation letter should be sent to Byron Niskian and Harold Moose and Western Growth Fund and Terra California Developers of the site on which the Imperial Hotel remains. Mr. Evans recommended that the Members first hear from the developer. Mr. Rothenberg inquired if this could be scheduled for an early meeting and Mr. Evans responded affirmatively, suggesting that it be scheduled in January at which time the developer would have a more definitive idea of the development schedule.

Mr. Rothenberg inquired about the legal rights of the Agency to do a study of the Imperial Hotel if the Agency has signed a disposition agreement on the property. He expressed concern about expending money until the development schedule was known. Mr. Evans noted that there would be an interim period before the developer could proceed and in January that the schedule could be better ascertained. President Kaplan noted that the developer has certain rights to the parcel and recommended that before the Agency expended money for a study, the developer should inform the Members of his schedule.

Mr. Rothenberg expressed concern that if after the developer's presentation in January the Members issued a default notice the period in which a cure could be effected would run into March. Mr. Wexler concurred in this concern and proposed that a notice of default be sent the developer dated December 1, 1976 which would give the developer until February 1, 1977, to cure the default. This would enable the Members to hear the presentation in January and have the flexibility and if a satisfactory time schedule was not presented then the land could be re-offered almost immediately. In response to the Members' inquiry, Agency General Counsel, Tilden H. Edwards indicated that the Members could legally proceed with this course of action.

MOTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that a letter notifying Byron Niskian & Harold Moose as Individuals & Western Growth Fund & Terra California as Corporations, of default be sent on December 1, 1976 for the Parcel bounded by Minna, Howard and Fourth Streets, YBC. The Members also reaffirmed their direction to staff that an engineering analysis be made of the Imperial Hotel.



NEW BUSINESS

- a) Resolution No. 220-76 approving Memorandum of Agreement b) and between the San Francisco Redevelopment Agency and Civil Service Association-Local 400, SEIU, AFL-CIO.

This item authorizes approval of revisions to the Memorandum of Agreement with one of the two union agreements serving Agency staff, Civil Service Association, Local 400, SEIU-AFL-CIO.

In response to Mr. Evan's request, Mr. Wilbur Hamilton, Deputy Executive Director, indicated that the Agency has had prior agreements with Local 400 and the current agreement has now in effect expired. He noted that Steve Nord, Attorney, and James Nvbakken, Personnel Officer, and representatives of Local 400's negotiating committee have worked out revisions to the Agreement which affect non-salary items. Mr. Hamilton summarized the changes by briefly noting: 1) fifteen working days' notice is to be given prior to implementation of any new Agency classifications, except for those cases which require immediate action; 2) addition of "sexual orientation" to the non-discrimination section; 3) deletion of the Agency shop provision and replacement with a union membership provision to comply with current State law; 4) revision of severance pay provision to reflect current actual practice; 5) revision of the employee evaluation and disciplinary sections to set forth specific procedures to be followed in cases of unsatisfactory performance; 6) requirement for prior notice of changes in rules and regulations except in cases which require emergency action; 7) extension of the seniority rights section to allow employees in cases of layoff to "bump" down through functional line classifications; 8) requirement for 30 days' prior notice of intended layoff; 9) inclusion of certain bargaining unit classifications as being eligible only for compensatory time off rather than paid overtime to conform with a recent change in comparable City classifications; 10) allowance for employees to use sick leave, vacation or compensatory time off as appropriate when absent from work due to emergency or unexpected circumstances; 11) revision of the vacation, holiday and sick leave provisions to reflect actual practice; 12) requirement of no routine daily reporting of illness be made once a prognosis of expected length of illness has been obtained and reported to the Agency; 13) revision of the death leave provision to expand those people designated as "closely related"; 14) revision of medical care section to reflect current actual coverage; and 15) revision of Step 2 of the grievance procedure to require a timely response by the supervisor equal to that required of the employee.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

Mr. Evans commented that several years previously the Agency had very difficult labor relations but as a result of the good work of Local 400 and staff these relations have now become more harmonious.

- b) Resolution No. 221-76 amending Resolution No. 107-76, adopted June 15, 1976, establishing classifications and compensation schedules for Agency staff.

This item relates to the agreement just adopted and Mr. Hamilton noted that this modified the salary resolution to reflect the recent changes in classifications who receive compensatory time off rather than overtime pay.



NEW BUSINESS (continued)

In response to Mr. Rothenberg's inquiry as to whether compensatory time off was computed on straight time or at time and one-half, Mr. Hamilton noted that it was at time and one-half.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- c) Resolution No. 218-76 authorizing account in connection with Residential Rehabilitation Program for Western Addition A-2 Pedevlopment Project Area.

Authorization is requested to establish a bank account in connection with the Residential Rehabilitation Program for deposit of tax and insurance impounds of borrowers. It will be an interest-bearing account. Authorization is also requested to designate certain individuals as signatories for depositing and withdrawing funds.

ADOPTION: It was moved by Mr. Wexler, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 219-76 Approving and Authorizing the Executive Director to Execute a Purchase Order with Marin Exposed Aggregate Products Co., in the Western Addition Redevelopment Project Area.

This item requests authorization for issuance of a purchase order to Marin Exposed Aggregate Products Co., for pre-cast covers for covers to fill the sidewalk openings at the base of street trees. Mr. Evans noted that in response to the solicitation of bids only one bid had been submitted. Since it is a valid bid within the estimated cost, it is recommended that the proposal be accepted. The purchase order is in the total amount of \$4,716 based on \$23.58 per cover.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 223-76 Authorizing the Executive Director to Enter into an Owner Participation Agreement with a Certain Property Owner in Western Addition Approved Redevelopment Project Area A-2, Block 749, Lot 2D, 1310 Turk Street.

Mr. Evans requested authorization to enter into an Owner Participation Agreement with the Franciscan-Turk Investment Co., for the six story building at the corner of Turk and Webster Streets. The building is now being renovated at an estimated cost of \$225,000.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams and unanimously carried that this resolution be adopted.

- (f) Resolution No. 222-76 Authorizing Termination of Agreement for Disposition of Land and Improvements for Private Housing Rehabilitation of Parcel 112-A (2) and Recision of Resolution No. 218-75, 1249-51 Scott Street.

Mr. Evans requested authorization to terminate the agreement to sell this property to Edward & Roberta Bennett for rehabilitation. After the agreement was executed and plans prepared the cost estimates for renovation exceeded the owners ability to finance the work. They have asked to be relieved of the obligation and, since the Agency has an alternate buyer, Mr. Evans



NEW BUSINESS (continued)

recommended approval.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist and unanimously carried that this resolution be adopted.

- (g) Resolution No. 224-76 Awarding of Agreement for Professional Landscape Architectural Service, Hunters Point Redevelopment Project, to Richard Schadt Associates, Inc.

Mr. Evans noted that this matter had been considered by some of the Members in August when authorization to negotiate a contract with Richard Schadt had designed the first phase of the playfield and had prepared the layout for the second phase. The maximum contract price is \$74,300 and construction money has been budgeted.

Mr. Wexler inquired if the Members would have the opportunity to review the proposed design of the playground before the work is done, and Mr. Evans responded affirmatively noting that this would be done at an early date.

Mr. Rothenberg indicated that the fee appeared to be 16 percent of the project cost and inquired if this was considered to be typical. Mr. Earl Mills, Acting Area Director of Hunters Point/India Basin, came forward and responded that the contract was not just for design but had four elements, including design and preparation of construction drawings, soils consulting, construction surveying and the preparation of the as-built drawings and that the fee was typical for this scope of work. In response to Ms. Blomquist's inquiry as to who would provide maintenance of the playfield, Mr. Mills responded that the City had agreed to be responsible. Mr. Rothenberg inquired as to who would do the final inspection. Mr. Mills replied that the City had to ultimately accept the work and will sign off, but the Agency would also be involved.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 226-76 Authorizing the Executive Director to Issue a Purchase Order to Perry D. Scott Company in Connection with the Hunters Point Approved Redevelopment Project.

This item requests authorization to install a temporary walkway as an interim measure prior to construction of a permanent walkway which will be built as part of the minipark system. The work will provide safe access for two households to their parking area and mail boxes. Since the permanent pathway will not begin for approximately sixty days, it is recommended that this interim measure be undertaken as soon as possible.

Mr. Evans noted that bids were solicited on an informal basis and of the three bids received, one refused to give a price. The firm submitting the lowest bid, the Perry D. Scott Company whose bid was \$1,875, can do the work quickly. This is a fair price for the work involved, and approval is recommended.

ADOPTION: It was moved by Mr. Wexler, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.



MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Evans noted that a major event will be held in India Basin next week. Invitations have been sent to a number of developers, industrial realtors, the Supervisors and the press to see the project. There will possibly be a ground breaking as well.

Mr. Evans noted that non-federal funds were needed to finance the buffet and beverages which will be served. He noted that an account with a balance of approximately \$1,958, remained from a donation made several years ago and requested authorization to spend up to \$650 to provide non-alcoholic beverages and the buffet.

MOTION: It was moved by Ms. Blomquist, seconded and Mr. Rothengerg, and unanimously carried, that the Executive Director was authorized to expend up to \$650 for beverages and the buffet for the India Basin Industrial Project reception from the account established through a donation of the Chamber of Commerce.

- (b) Mr. Evans advised that bids were opened for the rehabilitation of five buildings on the corner of Fillmore and Sutter Streets on December 10. However, yesterday, the contractor that was low bidder on three of the buildings indicated that he had not expected to be so successful and could perform on only one building at a time. He stated that he was unable to get bonding for three buildings and he requested that the Members reject his bid on the two buildings at 1955-59 Sutter and 1756-58 Fillmore. It is recommended that the Members comply with this request and staff will immediately re-bid the buildings. In response to Mr. Wexler's inquiry as to whether the Agency had anything in writing requesting this rejection, Mr. William McClure, Chief of Rehabilitation answered negatively noting that this would be obtained.

MOTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the bids on 1955-59 Sutter and 1756-68 Fillmore Western Addition A-2 be rejected and re-bid.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive meeting. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

*Helen L. Sause*

Helen L. Sause  
Assistant Agency Secretary



# COMMERCIAL TENANTS AT ACQUISITION

Block 3724, Lot 6 (Imperial Hotel) Acquired - June 25, 1970

<u>BUSINESS</u>	<u>ADDRESS</u>	<u>MONTHLY RENT</u>	<u>DATE ESTABLISHED</u>	<u>DATE VACATED</u>	<u>REMARKS</u>
Western Laundry & Cleaners	144 Fourth Street	\$125.00	1945	10/1/76	Discontinued business pursuant to notice given by Agency requiring possession.
Keefe Typewriter Co.	146 Fourth Street	\$130.00	1963	5/31/76	Moved to 657 Mission Street pursuant to notice given by Agency requiring possession.
Block 3724, Lots 5,44 Comm. Bldg. Acquired - April 9, 1968					
Independent Grocery Formerly Chuck's Groc.	136 Fourth Street	\$70.00	1960		Remains in occupancy. Efforts presently being made to relocate to new location.
Matrix Contrast Corp.	307 Minna Street	\$60.00	1948	1/2/70	Moved to Chicago, Ill. pursuant to notice given by Agency requiring possession.
Manifold Trade Bindery	309 Minna Street	\$150.00	1951	6/18/73	Moved to 1185 Howard Street pursuant to notice given by Agency requiring possession.
Lee Lithoplate	311 Minna Street	\$140.00	1959	11/15/69	Moved to 1251 Folsom Street in anticipation of Agency's need for possession of the building.
Sapir Press	311 Minna Street	\$150.00	1952	1/11/72	Moved to 363 Sixth Street pursuant to notice given by Agency requiring possession.
Deluna Press	311 Minna Street	\$140.00	1959	3/15/69	Moved to 376 Brannan Street. Moved prior to notice by Agency requiring possession.



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
30TH DAY OF NOVEMBER 1976

DOCUMENTS

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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 30th day of November 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal Williams, Vice President  
Dian Blomquist  
Joan-Marie Shelley  
Howard M. Wexler

and the following were absent:

Alan E. Rothenberg  
James A. Silva

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Mr. Leland Meyerzove, San Francisco Coalition and Mr. Ted Frazier, San Francisco Coalition.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress; and Don Carter, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Wilbur W. Hamilton, reported to the Members on the following matters:

- (a) Executive Director, Arthur F. Evans had returned from Washington, D. C. and was in the office this morning but had gone home this afternoon ill with a cold.
- (b) Construction has started on the fifty-two units for housing which is located at Golden Gate, Pierce, Turk and Steiner Streets. This represents the end of a long struggle to get this housing built, and there are now only two more such developments to be started in the project area.
- (c) During Mr. Evan's trip to Washington, D. C., he met with high level HUD staff on the Agency's "Urgent Needs" funding request and also had an opportunity to discuss Hunters Point Phase II with the National Housing Partnership. HUD staff has requested that the Agency provide additional material for review on the funding application.
- (d) A ceremony will be held in India Basin on Wednesday which will include a ground breaking for the Morgan McCormick Development. It is hoped that the Members will be able to attend this ceremony which is a significant occurrence in the history of the Agency.



NEW BUSINESS

- a) Resolution No. 225-76 authorizing the Executive Director to execute agreement regarding affirmative action respecting Yerba Buena Center approved redevelopment project, Calif. R-59.

This item authorizes the Executive Director to enter into an agreement with the San Francisco Coalition for coordinating community manpower efforts with the job generating activities in Yerba Buena Center.

Mr. Hamilton noted that this agreement has been considered since 1973 when construction was believed to be imminent in the project and the staff of the Agency, Human Rights Commission and HUD developed an affirmative action plan for Yerba Center. It was intended to provide a City wide plan since there is no citizens group to perform this role in the development of the project. This plan also fulfilled the Federal requirements for affirmative action and entrepreneurial opportunities. At that time most of the negotiations were carried on with the San Francisco Building Trades Council as a mechanism to provide for the involvement of workers throughout the City. Since then the Coalition has been formed and represented approximately 40 organizations representing San Francisco based groups that have shown an interest in the affirmative action aspect of Yerba Buena Center. The Coalition was formulated in a manner which has received the approval of the Human Rights Commission and HUD. In addition to providing a recognized entity for groups to work through, this agreement will also insure a monitoring of affirmative action in Yerba Buena Center. The one-year agreement has a maximum expenditure of \$55,700 and will be activated only when construction valued at \$20 million is imminent. Mr. Hamilton noted that a list of the participating organizations had been placed in the Member's folders and recommended that approval of the Agreement would be for the best interest of labor in the City.

Mr. Wexler expressed concern that the agreement not be vulnerable to lawsuits in light of recent court decisions affecting affirmative action. He believed that this aspect should be reviewed by Agency General Counsel and since \$20 million of construction is not immediately scheduled, a delay in considering the Agreement would not be detrimental. He also noted an interest in hearing from representatives of the San Francisco Coalition and requested more information on the groups they represent. He also asked that Mr. Edwards confirm that this particular plan could be formulated to decrease the risk of lawsuits. Mr. Edwards noted that he had found legal basis for the distinction of this agreement from such court cases as the Bakke case, but indicated that he needed time to evaluate other legal susceptibilities of the agreement.

Mr. Hamilton indicated that representatives from the Coalition had intended to appear today but that they were not present. It was unanimously agreed by the Members that the matter be held over.

- (b) Resolution No. 229-76 authorizing the Executive Director to solicit bids for security guard services at Hunters Point and India Basin Redevelopment Projects.

This item seeks authorization for staff to advertise for security guard services on a limited basis in India Basin/Hunters Point Projects.

Mr. Hamilton noted that the previous contract for security guard services was discontinued and subsequently the Members had authorized, as an interim measure,



NEW BUSINESS, (continued)

the employment of watchmen on the Agency staff while tenants of scattered war-time housing buildings were being moved into more easily secured and consolidated housing. However, there is a continuing need for security guard services in Hunters Point and India Basin to provide a safe environment for residents and as a deterrent to illegal dumping and malicious vandalism. A motorized patrol on a 24 hour a day basis is recommended to provide the level of security needed.

Mr. Wexler indicated that he considered the hiring of a private police force as a last resort measure. He suggested the Police Department provide the needed services from a \$1.5 million allocation from Community Development funds deducted from the Agency's 1977 budget by the Board of Supervisors for the purpose of increasing community protection. He recommended further that the Agency develop a plan with the Police Department whereby the Department would administer the maintenance of security in the projects. He noted that staff had reported that earlier efforts to have the Police Department assume this function had received a negative response. However, since the police force has received additional resources, the matter again should be explored. He mentioned having spoken with a member of the San Francisco Police Commission who had indicated that such a service for the area could be considered. Mr. Wexler requested that action on the proposal to advertise for security guard services be held over until use of the San Francisco Police Department could be further explored. He noted that another reason use of the Police Department would be beneficial was that the Hunters Point community and police would have an opportunity to learn to deal with each other. A private police force would prevent such a relationship from developing.

Dr. Williams supported Mr. Wexler's statements noting that in a minority community the residents often suffer from insufficient police protection and need to establish a reasonable relationship with the police which will help insure a proper level of protection. He noted that in the past the contract with the private security guard appeared to have unfavorable connotations and that there were allegations that individuals in the community were victimized and notoriety was attached to the services provided under the contract. He suggested that perhaps community people and project residents could be trained to work under the police and that this would also further the relationship in the community and be decisive in setting community people against each other in competition to provide security guard contracts. In response to his inquiry, Mr. Hamilton responded that there was no guard service in the area presently. He reiterated that staff had been authorized to hire watchmen during the period when tenants were being consolidated but that authorization was expiring. He also noted, as Mr. Wexler had indicated, Police Chief Gain had written to the Agency stating that he did not have sufficient manpower to provide the level of services needed in Hunters Point and India Basin, nor did he regard it as a proper use of police personnel. He indicated that since the Department's resources were now expanded there was a possibility perhaps that the matter might be reconsidered.

Dr. Williams recommended that a certain level of service was needed in the area while the matter was being evaluated and inquired when the present patrolmen would be terminated. Earl P. Mills, Area Director, Hunters Point/India Basin, came forward and noted that these watchmen were presently authorized to remain on staff until December 10, 1976. Dr. Williams proposed that the



NEW BUSINESS (continued)

present guard services be continued until alternative plans for the provision of security can be explored.

Ms. Shelley noted that she would like clarification of the items to be explored with the Police Department, and Mr. Wexler indicated that the Agency should; first, explore the possibility of designating that some of the police personnel hired with the \$1.5 million Community Development funds be placed in the Hunters Point area; second, a request that some of the 400 additional police which the paper indicates are to be hired, could provide a source of manpower for security in the area; and finally, if the foregoing possibilities were not fruitful that the Agency endeavor to pay the Police Department to provide security services. In response to Ms. Shelley's inquiry Mr. Wexler noted that the staff should also explore the possibility of involving community people.

MOTION: It was moved by Dr. Williams, seconded by Mr. Wexler and unanimously carried that the existing level of staff guard services be continued in the Hunters Point/India Basin projects until a long-range solution was found for provision of security in the projects.

- (c) Resolution No. 228-76 awarding Demolition and Site Clearance Contract No. 68 (Manor Plaza Hotel), Western Addition Area A-2 to Cleveland Wrecking Company.

This item seeks authorization to award Demolition Contract No. 68 in the Western Addition to the lowest of three bidders. Cleveland Wrecking Company is the successful bidder with a low bid of \$45,660. This will provide for the demolition of four buildings: 1828-32 Bush Street, which is a development site for the Nihonmachi Area which is ready to proceed; 1628-30 Post Street, also for development in the Nihonmachi area and 1334-38 Ellis Street and the Manor Plaza Hotel, both of which are vacant and deemed hazardous.

Mr. Wexler indicated that as a point of personal privilege since the Namiki Development on 1828-32 Buchanan Street was a client of his firm, he would not take part in the action and would step down from the podium.

Dr. Williams inquired if the Western Addition Project Area Committee (WAPAC) had any additional comments to make on the proposed demolition. Arnold Townsend Executive Director of WAPAC came forward and noted that his organization had no objection.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams and unanimously carried that this resolution be adopted.

Mr. Wexler resumed his seat at the podium.

- (d) Resolution No. 230-76 ratification of Travel Authorization.

Mr. Hamilton noted that this item will ratify the travel of the Executive Director, Arthur F. Evans, to Washington for a meeting with top level HUD staff on November 29, 1976.

ADOPTION: It was moved by Mr. Wexler, seconded by Dr. Williams and unanimously carried that this resolution be adopted.



MATTERS NOT APPEARING ON AGENDA

- (a) Continued occupancy of Commercial Tenants in the Imperial Hotel.

Mr. Wexler indicated that he wished to comment on the previous meeting's consideration of the Imperial Hotel in Yerba Buena Center. This concerned a commercial tenant by the name of Lee who had operated a laundry in the hotel for many years. He noted that it appeared that this laundry principally served the elderly low-income residents of the Clementina Towers. Mr. Wexler also noted that it appeared a way had been worked out for Mr. Lee to continue his business in the hotel.

Mr. Hamilton reaffirmed this understanding and noted that Mr. Lee had been advised that he could continue his laundry business while further study was being made of the hotel.

- (b) Request to halt Construction of MPPH Site 17, Western Addition Area A-2.

Mr. Norman Smith requested and received permission to address the Members. He requested that the Members stop the construction that was under way in the 1500 block of Golden Gate Avenue. He alleged that the sponsors of this development, the Agency staff and others involved had deliberately excluded him and other minority contractors from seeing the plans for the project. He noted that this was in direct violation of the 1973 Housing Act and further indicated that such violations had been going on in the Western Addition since construction in the redevelopment area began. He noted that the 1973 Housing Act requires that residents and businesses in the area be provided an opportunity to participate in the project activities, and requested that this project be stopped until this requirement has been fulfilled. He also indicated that he was prepared to get a legal injunction or place a picket line to prevent the construction from going forward. Mr. Smith noted that he had made efforts to see the plans and that when the plans had been in the site office, he was then told that they had been taken to the Building Department to get a permit. He stressed the need for employment in the project area and charged that both economic and racial discrimination were involved in preventing businessmen like himself from participating in the work.

He referred to a letter from Executive Director Arthur F. Evans to the Department of Housing and Urban Development's Regional Director, Robert Baida, dated July 10, 1975\*, a copy of which was sent to the Area Office Director, James Price, which stated that Johnson Lumber Company was not eligible to work in redevelopment programs. Mr. Smith noted that there was no basis for such a letter and requested the Members to stop the project until some meaningful settlement was made.

In response to Ms. Shelley's request that staff provide background on the matter, Mr. Hamilton noted that the question of stopping construction when a contractor has work under way has legal ramifications and recommended that the Members not act on the request. However, the question of minority participation has been a struggle the staff has been working on for years. He noted that in soliciting bids all of the minority sub-contractors known to the Agency were included. The firms that Mr. Smith is affiliated with were among those who received the solicitation for bids by certified mail. He further indicated that he had met with the Minority Contractors' Association to ascertain why the responses to the invitation for bids had not been as high as previous solicitations. The Association representative indicated that many of the firms



MATTERS NOT APPEARING ON AGENDA (continued)

in their group were busy. Mr. Hamilton also noted that Mr. Smith had not bid on any of the work and stated that the plans for the development had been available in the site office and that other minority contractors had reviewed them. As reported earlier, Site 17 is one of the last three housing developments for persons of low-to-moderate-incomes to be started in Western Addition A-2, and it is essential that nothing further delay completion of these housing units. He indicated that Mr. Smith has a general contractor's license and could undertake construction of the development and did not know why the developer did not select him. He again indicated that every effort has been made to solicit minority sub-contractors, and that while minority participation was not as high on this project as others, every effort had been made to offer opportunity for such participation.

Mr. Smith reiterated that he had been unable to see the plans and while he had been given Mr. Dubard's phone number in Los Angeles, Mr. Dubard had not been willing to discuss the matter with him. Mr. Smith also alleged that this was the result of problems with construction of housing on Site 5. He stated that Mr. Hamilton was untruthful, that efforts had not been made to secure minority contractors and again referred to the letter which Mr. Evans had allegedly written to DHUD as evidence of the Agency's efforts to prevent minority participation. Mr. Smith noted his willingness to take a lie detector's test to verify his statements and requested that Mr. Hamilton produce the records to substantiate his statements.

Mr. Hamilton noted that he could provide the documents and verify the efforts to obtain minority participation in the project. He reiterated that selection of the contractor was ultimately the choice of the developer. He stressed that Mr. Smith did not bid and did not participate in affirmative action meetings. Mr. Hamilton suggested that the Members may also wish to speak to the developer on the matter.

Ms. Shelley inquired about the legal ramifications of having work halted on the project and Mr. Edwards, Agency General Counsel, responded that court decisions had found that the Agency could not be compelled to halt the construction but that, conversely, the Agency was vulnerable to the other types of action suggested by Mr. Smith.

Dr. Williams suggested that staff investigate the events that had occurred in Mr. Smith's efforts to secure the plans and that the allegations be investigated by the legal department. He stressed his belief that the Agency would not wish to do an injustice to anyone or to hear of such an injustice and not act. Ms. Shelley expressed her opinion that while the staff was preparing background information on the matter, the work be allowed to proceed; and, Mr. Wexler requested that Mr. Smith submit his allegations in written form.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.



ADJOURNMENT (continued)

Mr. Hamilton noted that Ted Frazier of the San Francisco Coalition was present and wished to speak. The Members indicated that the item concerning the Coalition had been held over to obtain additional information and requested that Mr. Frazier discuss the matter with staff noting that it would be calendared at a future meeting. Mr. Leland S. Meyerzoni came forward and urged approval of the Agreement because it had been sanctioned by the Board of Supervisors.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary

\*The Assistant Agency Secretary subsequently learned that it was Mr. Smith's intent to describe the July 10, 1975 letter as being written by HUD Area Director Price to HUD Regional Director Baida and quoting the remarks of Executive Director Arthur Evans concerning the undesirability of using Johnson Lumber Company.



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF DECEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 7th day of December, 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Hannibal A. Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

DOCUMENTS

and the following was absent:

James A. Silva

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The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Robert Z. Delano, F. Buted, Javita D. Buted, Gabriella Tambio, Mel Guillermo, Vickie Delano, Beatriz G. Galicia, Charles Stuhr, Attorney, Philippine Cultural and Trade Center; R. M. Fitzmaurice; Mrs. Bland Platt; David DeNardo; and Richard Gryziec, Douglas Engmann, Jack Morrison, Victor Hoenig, Mike Davis, Gerald Johnson and Norman Smith, interested citizens; and Arnold Townsend and Ben Stewart, WAPAC.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuck, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that the minutes of a Regular Meeting of November 23, 1976, as distributed by mail to the Members, be approved as corrected, and the minutes of a Regular Meeting of November 30, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 43B to DeNardo Construction Co. and the minimum disposal price: India Basin (Butchertown) Approved Redevelopment Project Area.



SPECIAL APPEARANCES (continued)

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 43B to DeNarde Construction Co. and the minimum disposal price, India Basin (Butchertown) Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The very significant HUD Biennial Awards have been made and San Francisco received two. Mr. Evans introduced Mr. Dan Roos, Field Representative of the HUD Area Office, to present the awards.

Mr. Roos announced that the awards were for the rehabilitation efforts in restoring Victorian homes, and for the development of the Buchanan Mall, both in the Western Addition. These awards were selected by a jury in Washington, D. C., which evaluated the nationwide submittals. Only twenty awards were made, of which San Francisco received two. He then read portions of the jury's comments which indicated that they found the quality of restoration of the Victorian structures particularly outstanding and the creativity used in developing an urban park for adjacent housing from the vacated Buchanan Street to be of unusual merit.

Mr. Roos indicated that a number of award recipients worked together as teams on these projects and noted that some were present to receive them. He then called on Ms. Susan Bragstad who accepted the award on behalf of Ms. Enid Sales, James Crawford, Ms. Susan Honeyman, and herself.

Another team award was given to James Demetre and Frank Pizzinelli, followed by an award to President Kaplan and to Mr. Evans.

The second award was for the urban design concept for the Buchanan Street Mall. This award was presented to Jerry Savage for the landscape architectural firm of Sasaki Walker; to the contractor, Robert Fitzmaurice; and to representatives of three youth groups which lent a unique characteristic to the Mall by providing design review during its development - Lester Dixon, Ghetto Youth Movement; Tim Yoshida, Japanese Community Youth Concern; and Andre Dupre, Young Adults of San Francisco.

Mr. Roos indicated the pleasure HUD took in giving these awards since the accomplishments of redevelopment agencies so frequently go unheralded.

President Kaplan indicated the appreciation of the Members and staff for the awards. Mr. Evans also expressed the Agency's appreciation to HUD for the money to do the work.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Evans commented on President Kaplan's resignation from the Agency and indicated that the staff very sincerely hoped the resignation would be retracted and that the Mayor would ask him to stay with the Agency. Mr. Evans also commented on President Kaplan's long and beneficial service to the Agency.
- (c) With regard to the United Way of the Bay Area crusade effort, Mr. Evans reported that staff contributions had increased from 84 in 1975 to 86 percent this year and Fair Share Donors from 11 to 25. He said that donations this year totalled \$6,377. He commented on the continuing generosity of staff and cited an issue on the ballot for Hunters Point schools when staff contributed within a few days the \$1,600 needed to fund publicity on the issue. He also noted that the contributions exceed those of other City agencies.

NEW BUSINESS

- (a) Consideration of extension of time to submit evidence of financing, Philippine Cultural and Trade Center Parcel 762-A, Western Addition A-2.

This matter concerns a request from the Philippine Cultural and Trade Center (Pacific Trade Center) for an extension of time to submit evidence of financing. Mr. Evans indicated that just prior to the meeting Charles Stuhr, attorney for Pacific Trade Center, had requested that this item be put over one week. In response to Mr. Rothenberg's inquiry as to why additional time was necessary, Mr. Stuhr responded that his court schedule had prevented him from preparing a presentation which would properly serve the interests of Pacific Trade Center.

President Kaplan indicated this matter would be put over for one week.

- (b) Resolution No. 231-76 approving sale of Parcel 43B to DeNarde Construction Co., and the minimum disposal price; ratifying and confirming publication of notice of public hearing; authorizing execution of **agreement** for disposition and other conveyance instruments in connection therewith - India Basin (Butchertown) Approved Redevelopment Project Area.

This matter relates to conveyance of a parcel of land to the DeNarde Construction Company, an owner-participant. The firm will build a 10,000 square foot building on this property, a portion of which will be leased. Mr. Evans added that evidence of financing will be due on April 15, 1977 and that the disposition price is \$40,500.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (c) Resolution 232-76 approving extension of performance date required in Agreement for Disposition of Land for Private Redevelopment between the Agency and Arcon/Pacific Ltd., a partnership, with respect to Disposition Parcel 3706/Site I, Market Street Tower, Yerba Buena Center Approved Redevelopment Project Area D-1.



NEW BUSINESS (continued)

This matter concerns a request to extend the time for submission of evidence of financing. Mr. Evans indicated that a 60-day extension was initially requested, but that Mr. Lyman Jee now indicates he required a 90-day period.

Mr. Wexler indicated that as a point of personal privilege he would not participate in the matter considered under either 9(c) or 9(d) because he was concerned that there might be an appearance of a conflict of interest. He indicated he had discussed this with the Agency General Counsel, Tilden H. Edwards, in whose opinion the matters did not constitute a conflict of interest. However, Mr. Wexler stated that because two of the clients his firm represents, John E. McConaughy, Jr., and Homberg Tang, are limited partners in the Pacific National Equity Company which has been assisting Mr. Jee in his attempt to secure financing he would step down from the podium and not participate in 9(c) or 9(d).

Mr. Lyman Jee came forward and indicated his concurrence in Mr. Evans' comments regarding President Kaplan's resignation and remarked on how long Mr. Kaplan had been with the Agency and how well he understood the problems of developers.

Mr. Jee indicated that for the past six years he has continuously worked on the Yerba Buena projects with the complete belief that all litigation would be resolved and the developers could eventually proceed. Since the proposition concerning Yerba Buena Center had been approved at the November election, definite interest from major lenders and investors was beginning to be evident. Prior to this, most of the investors had indicated that they wished to see the electoral decision on the ballot. He also expressed his pleasure at receiving a vote of confidence from the Mayor, who has assured him of his personal assistance in convincing investors to participate in the project. Mr. Jee indicated that he was requesting a 90-day extension to complete the financing package on the Market Street building and 120 days for the Apparel Mart.

In response to Ms. Blomquist's request for clarification as to whether this extension was to be from December 1 or January 1, Mr. Jee responded that an extension of 90 days was requested from January 1, or, in effect, a 120-day extension for the Mart and 60 days from January 1 on the other building.

In response to Mr. Rothenberg's inquiry as to what the Members can expect to be shown at the end of the extension period that is not known now, Mr. Jee responded that the Apparel Mart mortgage financing is being arranged by Paine, Weber, Jackson and Curtis and that the necessary funding should be committed within 30 to 45 days. Mr. Jee stressed the need for the extension to protect the deposit and indicated it might be necessary to request an additional extension later. He also noted that, in order to expedite start of construction, architectural designs and environmental reports have been completed and received and building permits obtained for the two buildings.



NEW BUSINESS (continued)

In response to Mr. Rothenberg's inquiry as to the mortgage source, Mr. Jee indicated that Paine-Weber would go through normal sources of financial institutions, such as insurance companies.

MOTION: It was moved by Dr. Williams and seconded by Ms. Shelley, that an extension be granted for the Market Street Tower and the Apparel Mart, Yerba Buena Center.

Mr. Rothenberg announced that he would not be able to vote on the Market building matter due to a possible conflict of interest since a subsidiary of his firm, the Bank of America, was considering participation in the financing of this building. He requested and President Kaplan agreed that the two items would be considered separately.

Mr. Jack Morrison came forward and addressed the Members, requesting that they reject the proposal for an extension of the performance date. He indicated that he had served as a member of the Mayor's Committee on Yerba Buena Center and was speaking specifically to the question of the Apparel Mart.

Mr. Morrison stated that as Yerba Buena was being re-planned, the effect of the 11 or 12 story Apparel Mart on the eastern third of the block would inhibit the planning options for the entire Central Blocks. He indicated that many on the Committee felt that the Mart should be moved across Third Street. He noted that as a compromise position in its recommendations, the Committee allowed the Apparel Mart to remain on its present site with the understanding that there would be no extension of time. He read from the Committee's recommendation letter which reaffirmed this position. He stressed that it was the unanimous decision of the Committee that there should be an Apparel Mart, but many believed that the Mart would be better located on the east side of Third Street. He noted the Committee's recommendation that the most economical use for the Central Blocks was a "theme park". He said that studies showed it would be very difficult to develop a park on a small parcel and would recommend using the entire 17 acres.

He indicated that Mr. Jee had informed the Committee in August that he was "1/16 of an inch" away from tying down the financial commitments for the development and noted that it appeared to him and others that Mr. Jee has had ample time to have obtained his financing and that it was time the Agency now effect the move of the Mart across Third Street.

Mr. Kaplan noted that the theme park was not in the control of the Agency but was being considered by the Chief Administrative Officer. He also expressed concern about delaying completion of the remainder of the project, indicating that it could be at least five years before the Convention Center was built, while Mr. Jee had asked for only 90 days to get his financing completed. President Kaplan also indicated that the subject of the theme park was out of order, and suggested that a vote be taken on the earlier motion.



NEW BUSINESS (continued)

At this point Mr. Morrison noted that Mr. Evans had made a commitment to try and carry out the recommendations of the Committee and asked that the Members give consideration to moving the Apparel Mart.

Mr. Rothenberg commented that he was confused by Mr. Morrison's opposition to the Mayor's expressed desire to have Mr. Jee's option extended. Mr. Morrison noted he and the Mayor occasionally disagreed and indicated that there were others in the audience who wished to be heard. Ms. Shelley indicated she would be interested in hearing other presentations and withdrew her second to the motion to grant an extension.

MOTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried, that each speaker be allowed five minutes to make a presentation.

Dr. Williams then commented that thousands of jobs are at stake and that Yerba Buena Center had been tied up in every way possible in the past and expressed his anxiety to have the project built.

Mr. Doug Engmann then addressed the Members and requested that the Secretary distribute copies of a letter he had prepared. He indicated he was opposed to the granting of an extension to Mr. Jee, claiming that such an extension was based on threats to sue. He noted that he was not at the meeting to stop Yerba Buena, but indicated for the following three reasons why the extension should not be approved: (1) an opinion from the City Attorney and from the Department of City Planning that this project would violate environmental impact requirements; (2) Mr. Jee has threatened a lawsuit. Mr. Engmann said he thought the Members, if they did grant the extension, should ask Mr. Jee to waive his rights in order to protect the interests of the City; (3) unless the Apparel Mart was moved it will cost the City a great deal of money.

Mr. Richard Gryziec appeared next and indicated he was the architect and planner who was the first to propose a Tivoli Garden type of theme park for Yerba Buena. He explained that such a park would provide several million dollars of income for the City and the City could use a portion of the income to provide housing and community services, jobs for 2,000 people, and an entertainment center for downtown San Francisco. He said that an economic study which had been made showed feasibility, and that such a theme park was a major part of the Mayor's Committee's final plan. He then distributed material to the Members. He said the reason he was appearing was because of his serious concerns regarding the effect of the huge Apparel Mart building on the pleasure park. He noted that Mr. Jee is not just involved in these two parcels, but has several others and if the Members should grant these extensions, it would be strengthening Mr. Jee's hands. He claimed that Mr. Jee's development forces entry into Yerba Buena Center through the substation and the other offices at the southwest and southeast corners of that block are contrary to the plan. Further, he said, there would not be sufficient open space for a pleasure park if Mr. Jee's development proceeded.



NEW BUSINESS (continued)

President Kaplan noted that Mr. Gryziec's time had expired and that these parcels had been fully considered at the public hearings held at the time of disposition.

Mr. Victor Hoening, Chairman of the Citizens Committee on Yerba Buena Center, appeared to urge that the Agency and the City get on with the development of Yerba Buena in such a fashion as would provide the greatest number of jobs and amount of revenue to the City without delay. He advised that he was speaking against granting the extension requested on the grounds that it would cause delay. Further, he noted, that Mr. Jee had stated in the past that he would have his financing by December 1, 1976. Mr. Hoening indicated that he had been advised that Mr. Jee was not financially stable. He inquired if the Members had seen a recent financial statement to determine whether or not he could meet his commitments. He noted that Mr. Jee had developed a similar mart in Kansas City, which went broke and indicated a similar occurrence could happen if the Agency continued to give him extensions.

Mr. Hoening indicated his belief that of the total 800,000 square feet to one million, only 150,000 square feet is leased. He suggested that this would be insufficient to secure financing of the building.

Mr. Mike Davis, Mayor's Select Committee on Yerba Buena Center, endorsed Mr. Morrison's remarks and stressed that while no one on the Committee was against the Mart, the Committee's staff concluded the Mart could be moved across Third Street. Since Mr. Jee has not provided evidence of financing by December 1, then it should be moved.

Dr. Williams then urged it was time for all parties to make peace and work together to complete Yerba Buena Center. He indicated that punitive action against a developer with no fault on his record would give him a perfect right to sue. He stressed the City is in a time of economic depression and urged all to work to build the Yerba Buena Center project.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted with Messrs Wexler and Rothenberg not participating.

- (d) Resolution No. 233-76 approving extension of performance date required in Agreement for Disposition of Land for Private Redevelopment between the Agency and Arcon/Pacific Ltd., a Partnership, with respect to Disposition Parcel 3723/Site 6 (Apparel Mart); Yerba Buena Center Approved Redevelopment Project Area D-1.

In response to Mr. Rothenberg's inquiry about staff checking on Mr. Jee's financial condition, Mr. Evans responded that he had received a disclosure statement and contacted companies with whom Mr. Jee has financial relations and has learned of nothing of concern. Mr. Jee is dealing with substantial companies which have not raised any objections to his financial stability.

Ms. Blomquist stated that she was opposed to this extension, and Mr. Wexler repeated that he would not be participating in this matter.



NEW BUSINESS (continued)

Mr. Rothenberg then suggested that those in opposition should get together with staff and the Mayor's staff and work out some responsible alternatives. He suggested in the time before this matter comes before the Members again, there would be ample opportunity for such alternatives to be worked out.

President Kaplan declared the matter closed.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, that this resolution be adopted, and on roll call the following voted "Aye":

President Kaplan  
Dr. Williams  
Ms. Shelley  
Mr. Rothenberg

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

Mr. Wexler

Mr. Wexler returned to the podium.

- (e) Resolution No. 234-76 authorizing the issuance of a work order for transmission to the Mayor's Office for work related to Yerba Buena Center.

This represents a request for a work order for a six-month period for an economist to assist the Agency and the Mayor's Office and the Chief Administrative Officer in analyzing proposals on Yerba Buena Center, with particular attention to the environmental impact reports and developers' submissions. This work order is not to exceed \$10,350.00, but it is anticipated that the actual work may be for less.

ADOPTION: It was moved by Mr. Wexler, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 235-76 ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of Agency-owned structures on Lots 28, 41, 42, Block 684, in the Western Addition Approved Redevelopment Project Area A-2; awarding contracts to David Mischel, Leon Carlen and Jun Kwock Tom on the basis of low bids received and authorizing executive thereof.

Mr. Evans stressed the importance of this matter and requested Mr. William F. McClure, Chief of Rehabilitation, to explain the item.



NEW BUSINESS (continued)

Mr. McClure noted that this initiated the first formal action on a rather unique rehabilitation project in the Western Addition by awarding contracts for the rehabilitation of three buildings along Sutter Street as the beginning of a development to be known as Victorian Square. There are five buildings on the site which require rehabilitation. It is also planned to move two additional buildings to the adjacent Fillmore Street frontage and build a parking lot at the rear. The entire parcel is 27,000 square feet and parking and open space will comprise half of that area. The development will provide 11,000 square feet of commercial space and 20 residential units above. The bids received are acceptable.

In response to President Kaplan's inquiry, Mr. McClure advised that moving costs of the two were not yet included in the items before the Members. In response to Mr. Rothenberg's inquiry, Mr. McClure advised that the properties would be sold after rehabilitation.

Mr. Wexler inquired if the staff estimates of rehabilitation costs were available, to which Mr. McClure responded with the following figures: 1971-75 Sutter Street - \$105,944; 1961-69 Sutter Street - \$223,000; and 1979-81 Sutter Street - \$78,000.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 236-76 approving and authorizing payment of claim and settlement of litigation arising out of said claim to Toshiko Hosoda, Tokuichi Hosoda, and Satoru Hosoda, dba Hosoda Brothers, in the amount of \$850.00 (Western Addition Project Area A-2).

This concerns settlement of a claim in the Western Addition resulting from damages to a property. There were a number of contractors operating adjacent to the property and it was difficult to ascertain exact responsibility for the damages. A claim for \$14,000 was rejected by the Members in 1975. Since then, working with the subcontractors involved and negotiating the amount of the claim downward, it was determined that the Agency's portion was \$850.00

ADOPTION: It was moved by Mr. Wexler, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 237-76 ratifying staff action in authorizing the substitution of subcontractor for Site Improvement Contract No. 16, India Basin Industrial Park Redevelopment Project.

This authorizes substitution of a subcontractor for a firm which went out of business. Approval is requested to substitute the San Jose Steel Company.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.



ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause  
Assistant Agency Secretary



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF DECEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of December 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dian Blomquist  
Alan E. Rothenberg  
Joan-Marie Shelley  
Howard M. Wexler

and the following were absent:

James A. Silva  
Dr. Hannibal Williams, Vice President

The President declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Fred Leuenberger, Charles Stuhr, Frank C. Mangrobang, W. B. Dickman, Jovita Buted, Beatriz and Emigdio Galicia, Gabriella Tambio, and Vickie R. Delano, representing the Philippine Cultural and Trade Center; Floyd Thomas, Assemblies of God; Mervyn Goodman, Michael Roberts, Pat Carey; John Hartang, Whistler/Patri; James Bronkema, Golden Gateway Center; Pamela Ross, Martha Sanger, T. Patrick Pillar, D. W. Richardson, representing the Goodman Group; Arnold G. Townsend, Western Addition Project Area Committee (WAPAC); and Charles Walker, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that the minutes of an Executive Meeting of November 23, 1976 and the minutes of a Regular Meeting of December 7, 1976, both as corrected and as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-D, Western Addition Approved Redevelopment Project Area A-2.

- (a) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-D, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 724-B, Western Addition Approved Redevelopment Project Area A-2.



SPECIAL APPEARANCES (continued)

- (b) President Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 724-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.
- (c) Ms. Pamela Ross requested and received permission to address the Members on behalf of the Goodman Group indicating she was present because of a matter she believed the Members should know about. She stated that on Thursday, December 16, 1976, the Agency will be in court on condemnation proceedings on the Goodman Building and has to show cause why it should not be held in contempt for failure to make necessary repairs. She indicated that three years ago the City condemned the Goodman Building and the tenants filed an appeal in order to gain time to get the Agency to do the Code-required work on the building. She indicated that there had been a series of meetings and Mr. Williams McClure, then Deputy Director of Residents and Business Services, committed the Agency to do the necessary work, but this work was not done. The City then sued the Agency for abatement of the violations in March 1975 and because the Agency did not respond a default was taken. Ms. Ross indicated that the City Attorney is proceeding in a contempt action against the Agency for not doing the work since the Agency owns the building. This may result in the Judge finding the building unsafe and ordering the tenants out. The tenants have met with the City Attorney, Edward Johnson, and also with the building inspector, Roy Kimball, and the Agency has begun work on correcting the health and safety violations. Ms. Ross indicated that the City inspectors would not recommend that the building be vacated if the work was ordered to be done. She indicated that the tenants have put together a proposal for correction of the life safety hazards which was passed out to the Members and that they have contacted contractors to ascertain the cost of the work. She indicated that there were two alternative proposals, one worked out with Marquis Associates as a real solution to the life safety problems, and the other as a temporary action developed with Robert Dunn of the Bureau of Building Inspection. These alternatives differ in the extent of the electrical work and the number of floors to be provided a sprinkler system. The alternative which provides the more extensive work will permit integration of the repairs with the rehabilitation work when the building is renovated entirely. The hallways on all three floors would be sprinklered under this proposal and although the cost will be twice as much as the minimum proposal, the Agency would actually save money. Ms. Ross indicated that the tenants are prepared to give the National Register grant-in-aid to pay for the corrective work. This grant would match the \$9,000 which the Agency would have to provide. Under the proposal for the minimum life safety repairs, the Agency would pay over \$11,000. President Kaplan advised Ms. Ross that since the matter was being heard in court the Members would refer the proposals to the Agency General Counsel.

Mr. Rothenberg questioned Ms. Ross as to whether this \$15,000 was coming from the State and she replied affirmatively. Mr. Rothenberg indicated that he had spoken with representatives of the State and they were under the mistaken impression that the Goodman Group owned the building and that the State could not grant money to anyone who did not own the structure. Mr. Rothenberg noted that the money could only come to the Agency as the owner of the building. Ms. Ross indicated that the Goodman Group had received the money in the past through the Foundation for San Francisco's Architectural Heritage and other organizations, but that it was possible to have the money sent to the Agency and have the work done that way.



SPECIAL APPEARANCES (continued)

Mr. Wexler indicated his understanding that the Goodman Group has not been paying rents for some time, and Ms. Ross indicated that there are letters and a report on the rents which are being withheld because the building was not up to Code. She indicated that the report on the money in the fund covered expenditures on the building to February 1976 and an updated report would be prepared. She noted that the Goodman Group had received the grant on the strength of a letter from the Agency offering the building to them and that they would also get a lease from the San Francisco Art Commission for use of the ground floor.

Mr. Wexler indicated that from the materials provided to the Members by the Goodman Group it appeared that \$7,100 in rents had been withheld but that the tenants alleged they had spent \$9,100 on the building, indicating a deficit, and he inquired who had made the decision on what repairs should be made. Ms. Ross indicated that other money was used and that the Agency had nothing to do with the matter. Mr. Wexler inquired if the Goodman Group had made its own unilateral decisions on how to handle rents and repairs and Ms. Ross confirmed this.

Mr. Evans indicated that the staff was evaluating the information provided by the Goodman Group and added that when the Agency acquires buildings that are condemned, it has an obligation to relocate the tenants into habitable units. He indicated that the Goodman Group had resisted Agency efforts to relocate them and instead has insisted that the Agency bring the building up to Code. He reiterated that the Agency has no obligation to do this. Mr. Evans indicated also that the building was acquired with the expectation that it would be demolished and the feasibility of rehabilitation was questionable, but the Agency recommended a change in the Redevelopment Plan to permit rehabilitation of the building. Ms. Ross indicated the Goodman Group was not asking the Agency to rehabilitate the building but only to cure the life hazards for the tenants. President Kaplan commented that the tenants have no right to be in the building, which was condemned, and that they have no standing. Ms. Ross indicated that the tenants had not been told to move and that the Agency had agreed to try and cooperate with the tenants. President Kaplan indicated that this was a matter for the legal division. Ms. Ross named persons on the staff who were working with the group.

Mr. Wexler inquired what position the staff would take at the hearing on Thursday. Mr. Richard Thomas, Assistant Agency Counsel, indicated that legal counsel would like to have a policy direction from the Members on the Goodman Building. The legal staff has worked with the relocation staff and maintenance people to make the life safety code corrections, and Ms. Ross's statement is untrue that the Agency has not made repairs to the building. President Kaplan suggested that an executive session be held to discuss the matter.

Mrs. Martha Sanger came forward and indicated her belief that over the past three years the group has made a contribution by making the Goodman Building an asset to the community. She alleged that the Agency believed the group to be trespassers but that they had in fact made sacrifices to try to preserve this special place. She indicated that the Mayor and other citizens and groups have interceded on behalf of the group. She indicated that the rents were higher elsewhere and that the Goodman Group was not interested in owning the building, but would prefer that it be owned by Mr. Goodman, or the Art Commission. She indicated that the Marquis Study on the feasibility of rehabilitating the building would be out at the end of the year. She commented that two offers to buy the building had been made by the Goodman Group in the past and inferred that the timing of the present court action just when the grant was to be made to the group was more than coincidental. She indicated that the rent situation had not



SPECIAL APPEARANCES (continued)

been resolved because the group had not had any cooperation from the Agency. She indicated that the group was attempting to find nonfederal funds to save the building and they have been encouraged by the State. The \$15,000 grant was being made because of the quality of activities in the building and they were awaiting more money. She alleged that if the Agency refuses to assume its legal responsibility for bringing the building up to Code, the group would request a permit to do the work themselves.

Ms. Shelley questioned Mrs. Sanger on her insinuation about the timing of the actions being taken. Mrs. Sanger responded that it seemed more than coincidental that just when the Goodman Group was to finally resolve the way to rehabilitate the building that such action would occur. Ms. Shelley asked who Mrs. Sanger was accusing, and Mrs. Sanger replied it was the Agency because the Goodman Building was an unique building and did not serve Agency purposes. She claimed that the Agency wanted to give the building to Alexander Maisin.

Mr. Michael Roberts came forward and indicated that the building did not represent the artists in the city and his anger that the Goodman Group was not nonprofit and used a city-owned building to take money which should actually go to Mr. Goodman. He indicated his belief that Mr. Goodman had already decided that the building had to be demolished but the Goodman Group has proven the value of the building which should be given back to Mr. Goodman, since he has a right to it. He alleged that Mrs. Sanger is trying to buy the building and spoke of Mr. Goodman's expense trying to keep it. He noted that the building next door was bought and the land sold for \$100,000 loss and he believed that to seriously acknowledge the Goodman Group was a mistake.

Mr. Mervyn Goodman came forward and indicated that he was supposed to submit a proposal by the end of this month and had employed an architect to inspect the building and check any electrical damage. He did not wish to make an offer if it would be in connection with Alexander Maisin. He noted that he had some questions on the reply to his letter from Mr. Evans and asked that the agreement with Mr. Maisin be rescinded. He disclaimed any connection with any of the former speakers. Mr. Evans noted that his letter only stated that Mr. Maisin has indicated his willingness to terminate his agreement with the Agency. Mr. Goodman indicated that if Mr. Maisin releases his agreement he will save money by not having to pursue the matter through the courts and indicated that Mr. Mel Ury, Project Director, stated that the Goodman legal fees had cost the Agency \$225,000 and another \$5,000 could be saved if the Maisin agreement was terminated and the matter not pursued in the appellate court. Mr. Evans noted Mr. Maisin was willing to cancel; however, this would have no bearing on Mr. Goodman's ability to submit a proposal. Mr. Goodman indicated he was interested in rehabilitating the building and having tenants as long as they paid their rents, but he needed assurance that Mr. Maisin was terminated. Mr. Wexler told Mr. Goodman to make his proposal and if it was workable the Agency would attempt to do whatever was within its power to implement the proposal. He stressed that nothing could be done before a proposal was submitted. Mr. Goodman requested that the Agency assure him that there were no other claims against the property and Mr. Wexler indicated that the Agency was not in a position to give Mr. Goodman such a statement but that the proposal would still have to be submitted to consider the use of the building. He also suggested that Mr. Goodman could ask for a delay in appellate court action. Mr. Goodman asked if the Agency would do this, and Mr. Wexler responded that it was appropriate for Mr. Goodman to write a letter which simply stated that a 30 to 60-day delay was requested.



SPECIAL APPEARANCES (continued)

Ms. Ross came forward and indicated that Mr. Roberts had not paid any rent, and Mr. Roberts responded that his rent could be deducted from the relocation money he was to receive.

- (d) Mr. Charles Walker came forward to address the Members and indicated that he was present relative to the manner in which the Agency awarded contracts. He noted the award of a contract to the Fontana Construction Company for \$1.4 million and that another such contract was to be awarded to O. C. Jones for \$694,000. He stressed that blacks had fought in the Federal Court for the right to participate and noted that during the investigation of the Federal Organized Crime Strike Forces it had become obvious that Site Improvement Contract No. at Hunters Point had been given to DeNarde Construction Company which had bid \$1.4 million but was paid \$2.4 million by the time the contract had been ended. He questioned the 80 percent increase and alleged that the Agency increased the amount because the contractors were white. He indicated that black contractors did not receive money on addendums and claimed they had only received less than 1/2 of 1 percent of the total project work. He asked that the contract not be awarded to O. C. Jones until the Members investigated the matter. He reiterated his belief that black people have not participated in the project and that white contractors were getting all the work. He indicated that when he called Mr. Wilbur Hamilton, Deputy Executive Director, about the matter he had told him there was no truth to this allegation. Mr. Walker expressed dismay because he believed he had heard in court testimony that change orders granted DeNarde equaled 80 percent of the contract amount bid.

Mr. Hamilton indicated that State law controls the bidding procedures and the Site Improvement Contracts Nos. 1 to 15 range from a negative close-out cost to those which have increased 23 percent, and Contract Nos. 9, 11, and 13 have been completed for less than the bid amount. Three were not yet final but the contracts to date show an average increase of 10 percent from change orders. In each case the change orders were approved pursuant to official procedures of the Members. Site Improvement Contract No. 1 was not \$1.4 million and appeared to have been confused with Contract No. 5 which was \$1.4 million and closed out at \$1.7 million. There was nothing like an 80 percent increase. Mr. Hamilton reiterated that 23 percent was the greatest increase on any site improvement contract in Hunters Point. He noted that as indicative of minority participation Mr. Walker's trucking service had provided 80 percent of the work on the DeNarde contract.

Mr. Wexler indicated that the change orders in the contract are quite normal during public work because of events that come up in the field during the life of the contract and stressed the Members' concern that blacks be able to participate. Mr. Wexler asked Mr. Walker to submit in writing the discriminations to which he referred. Mr. Walker then asked how it was the contractors could go above their contract, and Mr. Wexler responded that increases through change orders are normal and are the same for blacks as well as whites industrywide. Mr. Wexler asked that specifics be submitted rather than generalities.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Today is his last Agency meeting, and Mr. Evans indicated his enjoyment in having worked for the Agency and expressed his best wishes to the staff and Members and his desire that the work be carried on. He noted that he had written a



REPORT OF THE EXECUTIVE DIRECTOR (continued)

letter to the Members which commented on these reflections.

- (b) Western Addition A-2 is becoming a viable community and its attraction as an investment opportunity is shown by the response to the offering of Agency-owned buildings which are available for purchase and rehabilitation. The most recent offering brought 86 proposals on five buildings and staff is evaluating these proposals and will recommend a selection soon. Proposals were received from 25 certificate holders and 61 from noncertificate holders, although some submitted more than one proposal.
- (c) Also in the Western Addition, seven sites of land were offered for new construction and there were 19 valid proposals for four of the seven sites. Mr. Evans stressed that the Agency's efforts should be increased to market land.

NEW BUSINESS

- (a) Resolution No. 239-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1129-D, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of a 12-unit apartment for rehabilitation to the highest of six certificate holders, Nolan Frank and Kato Frank, for \$27,200. Mr. Evans indicated that this building was interesting because the buyer was the first to borrow the money for renovation through the Agency's new rehabilitation loan program. Work is expected to start by January.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 240-76 authorizing the Executive Director to enter into a disposition agreement and execute necessary conveyance instruments; approving the method of sale, the minimum disposal price, and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcel 724-B, Western Addition Approved Redevelopment Project Area A-2.

This item was also the subject of the public hearing and concerns disposition of a church site, consisting of 18,315 square feet, to the Assemblies of God, Northern California and Nevada District Council, Inc., for \$37,900 to develop the Korean Church of San Francisco's facilities. It is located on the north side of Ellis between Webster and Hollis Streets.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Consideration of extension of time to submit evidence of financing, Philippine Cultural and Trade Center Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This concerns a request for an extension of time for submission of evidence of equity capital and mortgage financing for the Philippine Cultural and Trade Center (PCTC). Mr. Evans noted that staff recommends termination of the disposition agreement and refund of the \$120,00 security deposit. It is proposed that the parcel be reoffered. Mr. Evans noted that there were people who may wish to speak on the matter.



NEW BUSINESS (continued)

Mr. Charles Stuhr, representing the Philippine Cultural and Trade Center, came forward and indicated that while Messrs. Evans and Kaplan were familiar with the project the new Members were not and in order to make a decision regarding the request for an extension of time they should be made aware of the circumstances involved. He indicated that the PCTC people involved were Mrs. Jovita Buted, President of the PCTC; Mr. Frank Mangrobang, Secretary; Gabriella Tambio, and others on the Board of Directors who own the PCTC 100 percent. The eighteen shareholders are all Filipinos who have invested \$700,000 into this project to date to prepare plans and feasibility studies and other activities involved in attempting to obtain financing. Mr. Stuhl indicated that in the event an extension is not granted this corporation will be bankrupted, since its debts exceed the assets. He indicated his great feeling for the people involved and his work without compensation because he believed they needed assistance. He also indicated that the William C. Haas Construction Company had indicated it had expended \$112,000 but he had no accounting of this, except that substantial sums had been spent in traveling to obtain financing. Mr. Stuhr noted that the delays had been considerable and were due in part to lack of financing, as well as the strife which existed in the Filipino community, which has now been resolved. He indicated that today he represented all the 70,000 Filipinos in the entire bay area and since other ethnic groups had their own area the center was very important to them. Their sacrifices would be lost if the extension were not granted. Mr. Stuhl mentioned the various lending agencies which had been contacted to date and noted that in particular the Philippine Government had been interested but had to withdraw due to other pressing needs. He believed the project was viable according to the studies and architectural and engineering plans and indicated that financing was now more readily available. A new joint venture is proposed with the W. B. Dickman Construction Company, a substantial developer, and the project now has a good chance of going forward. The former joint venture with William C. Haas Construction would be dissolved subject to payment of funds that were expended. Mr. Stuhr indicated that a representative of the Dickman firm, Attorney Fred Leuenberger, was present and could comment on the plans.

Mr. Leuenberger came forward and expressed the hope that the Members would consider every facet in granting the extension. He indicated that his client, W. B. Dickman Construction Company, was currently working on the Community College under construction at Fourth and Mission Streets in the Yerba Buena Center project, and it was a well qualified firm. In 1974 the Dickman Construction Company was interested in participating in the PCTC but the Filipinos had elected to joint venture with the William C. Haas Company which is also a qualified developer but which was based in Kansas City. Mr. Leuenberger noted that a prejoint venture agreement has been worked out with the PCTC in anticipation that Dickman is approved as the developer and on condition that Haas relinquishes its interest. Mr. Stuhr has confirmed that Haas will relinquish its interest and is entitled to reimbursement. Mr. Leuenberger indicated that the Filipino group has a serious time factor. The pre-agreement was signed October 1, 1976 and there have been meetings with three major lenders, but there is no decision on its financing. He noted, however, that the prospect was excellent. Mr. Leuenberger noted that the firm of Whistler/Patri has prepared plans for the development which includes an office building, commercial space, and apartments. He noted that the cost of the development was \$32 million and the financing program has two facets: (1) construction financing; in the United States there are approximately seven lenders who are qualified; there is an indication of a favorable review of this; and (2) the Dickman firm was considering providing a substantial portion of equity capital. There is a possibility that the development's largest commercial tenant will be the United States Government.



NEW BUSINESS (continued)

Mr. Leuenberger cautioned that the problem is that it will take about eight months to get the take-out financing. All three levels of construction, the parking, commercial and apartments should be done in one phase. In reply to Mr. Rothenberg's question, Mr. Leuenberger indicated that the space to be used by the Government would permit consolidation of many offices now located in various parts of the city. He noted that the area around the Civic Center is preferred by the Government to locate its offices. Mr. Leuenberger indicated that there was no problem with leasing the proposed 154 apartments units.

In response to Mr. Wexler's inquiry about the joint venture, Mr. Leuenberger indicated that everything has been signed but has yet to be finally approved. Mr. Wexler noted that it appeared that the only hold-up was the financing and verification of the expenditures of the W. C. Haas Construction Company. He noted that both attorneys had made a very moving presentation but he was concerned about how this development which has been delayed for two years on a large piece of land would be moved forward significantly if another nine months' extension were considered. He believed the parcel should be reoffered while the PCTC group continues to work on their financing.

Mr. Stuhr indicated that a major omission by the Haas Company was its apparent unawareness that the project needed equity funding and preleases before lenders would consider it. The principals in the PCTC had relied on Haas for direction and he believed they had received inadequate advice. He indicated that Dickman has the expertise and has money to move the development forward.

President Kaplan commented that the PCTC people had been the only group interested in developing the property and that no other interest has been expressed.

Mr. Rothenberg inquired what assurance there would be that in ten months time things would be different. Mr. Stuhr indicated that the Dickman firm appeared to be doing what should have been done previously, and that foreign investors had been sought to move the project forward; however, without some assurance of preleasing up to 65 percent, there is no lending institution that would even consider financing the project. He noted that the Dickman firm has taken steps to obtain preleasing without any assurance of being the joint venturer.

Mr. Rothenberg indicated that Haas Construction was a large company, but Mr. Stuhr indicated that it has now confined its operations to Kansas City.

Mr. Wexler noted it appeared that without the extension that Dickman would not go forward with its participation and the PCTC would be in bankruptcy. He indicated his sympathy with the PCTC people but expressed concern that after two years it appeared the project was back at the point of beginning and other efforts have been futile. He was concerned that termination of the PCTC would change its position with its creditors but noted that rebidding would take time. The PCTC could submit its proposal with evidence of financial support.

Mr. Stuhr indicated that the expenditures and the \$120,000 security deposit represented the lifetime savings of people who had mortgaged their homes to raise the necessary funding; however a joint venture with Dickman would make the project go forward. Mr. Wexler commented that it appeared the only thing preventing Mr. Stuhr's clients from going into bankruptcy was the willingness of some creditors not to press their claims. The creditors could prevent the development from proceeding. He noted that it appeared that if an extension were granted, then the PCTC could convince people to wait until funding was obtained. Mr. Stuhr replied that the extension would permit the project to go forward with Dickman.



EW BUSINESS (continued)

Mrs. Jovita Buted came forward and appealed to the Members for an extension of time for the Filipino group which she claimed had received few benefits. She noted that all other ethnic groups have their own centers and that this should go forward not only because it would mean something to the Filipino people but also to the city and would bring beauty and cultural enrichment. She indicated that the new developer has given them confidence and asked that for the sake of the Filipino community and its young people that the extension be granted. She stressed her personal commitment to the project and how her children held her responsible for making it succeed.

Ms. Shelley inquired about the date that the PCTC and Dickman associated and Mrs. Buted indicated that the agreement took place on October 1, 1976.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated WAPAC's support in seeing the PCTC built and urged that an extension of time be granted. He indicated that the group had faced the same problems as other developers, such as Mr. Lyman Jee who was granted an extension, and he would like to see the Agency go forward with a community group. He believed the Filipino group should be encouraged and given every consideration.

Ms. Shelley requested clarification of the length of time requested and Mr. Stuhr indicated Mr. Leuenberger had stated that nine months was needed but evidence of progress could be shown in the interim period. Mr. Leuenberger indicated nine months was a conservative estimate; however with the improved financing market and the plans completed there was something concrete to offer to prospective lenders. He indicated that the Filipino community group would forfeit its right to return of the \$120,000 deposit to assure the Members of its interest, and he noted that a great deal has been done in the past two years.

Mr. Evans inquired regarding the possibility of bankruptcy should the creditors refuse to wait, and Mr. Stuhr responded that this was a problem for the bankruptcy court to determine. He noted his understanding that the court would find that the Agency had the right to retain the \$120,000 deposit, but Mr. Evans indicated this would not be so if the PCTC assets were less than its liabilities.

Ms. Shelley indicated that in view of the new joint venture association with the W. B. Dickman Construction Company she would like to propose that a six-months' extension be granted with a commitment to give the PCTC a chance to obtain financing.

Mr. John Hartang, attorney for Whistler/Patri, came forward and indicated that the \$120,000 in liquidated damages belonged to the creditors, not the PCTC, and that his firm has certainly been more than cooperative in getting the project on its way. He alleged that the \$120,000 PCTC is offering as a guaranty was in reality creditors' money and not their own. Mr. Wexler indicated that consideration of the \$120,000 security deposit had not been part of the motion and suggested that since Dr. Williams was interested in the matter that it be held over until he could be present.

MOTION: It was moved by Ms. Shelley and seconded by President Kaplan that the Philippine Cultural and Trade Center be granted a six-months' extension of submission of its evidence of financing for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2, and on roll call the following voted "Aye":



NEW BUSINESS (continued)

President Kaplan  
Ms. Shelley

and the following voted "Nay":

Ms. Blomquist  
Mr. Rothenberg  
Mr. Wexler

and the following abstained:

None

The President thereupon declared the motion failed.

Mr. Evans noted that the staff recommended termination of the agreement and return of the \$120,000 security deposit and suggested they consider this proposal.

**MOTION:** It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, that the Philippine Cultural and Trade Center agreement be terminated and the deposit of \$120,000 returned to them, and on roll call the following voted "Aye":

Ms. Blomquist  
Mr. Rothenberg

and the following passed:

Mr. Wexler

and the following voted "Nay":

President Kaplan  
Ms. Shelley

and the following abstained:

Mr. Wexler

The President thereupon declared the motion failed.

Mr. Wexler explained that he had abstained with the request that the matter be held over for one week until Dr. Williams could be present. President Kaplan indicated that no public testimony would be taken at that time.

- (d) Resolution No. 238-76 ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of Agency-owned structures on Lots 43 and 27, Block 684, in the Western Addition Approved Redevelopment Project Area A-2; awarding contracts to Willie Ballard and Leon Carlen on the basis of low bids received and authorizing execution thereof.

This represents execution of rehabilitation contracts for the remaining two of five Victorians located at "Victorian Square" in Western Addition A-2. These are the two properties located at 1955-59 Sutter and at 1756-58 Fillmore Street which were rebid. It is recommended that Mr. Willie Ballard be awarded the contract for \$74,050 on the former property and Mr. Leon Carlen a contract for \$71,360 on the latter. Ms. Blomquist inquired about the time schedule for the



NEW BUSINESS (continued)

work, and Mr. William McClure, Director of Rehabilitation, indicated that it was anticipated that the entire square would be completed by October 1977, including moving the three buildings, but these two structures would be completed within six months' time.

Mr. Rothenberg inquired if there would be any penalties if the contractors did not complete their work, and Mr. McClure responded that there was a 100 percent bond on all properties so in effect there were penalty clauses which ensure completion of the contract. Mr. Wexler questioned the earlier bid of \$72,800 as against \$71,300, and Mr. McClure indicated this was only a difference in the bidder.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 241-76 authorizing the Executive Director to make application for Federal Housing Administration approval of the San Francisco Redevelopment Agency as a mortgagee under the provisions of the National Housing Act in connection with the Western Addition Area A-2, Hunters Point, and Yerba Buena Center Approved Redevelopment Project Areas.

This concerns an application to the Federal Housing Administration for approval of the Agency as a mortgagee under the provisions of the National Housing Act. This action is required to enable the Agency to proceed in the implementation of a land development loan program under provisions of Senate Bill No. 99.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 242-76 authorizing assignment of partnership interest in the Embarcadero Center/Embarcadero-Lower Market Redevelopment Project Area E-1.

Mr. Evans indicated that the following assignments do not violate the antispeculation provisions of the disposition agreement. The first is an assignment of the James M. Caswell, Jr. interest in the Embarcadero Center to David Rockefeller. The interest is 7.833-1/3 percent.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 243-76 authorizing assignment of partnership interest in the Embarcadero Center/Embarcadero-Lower Market Redevelopment Project Area E-1.

This concerns assignment of a 7.833-1/3 percent interest of Warren T. Lindquist in the Embarcadero Center to David Rockefeller as set forth in that certain assignment dated November 10, 1976.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 244-76 authorizing assignment of partnership interest in the Embarcadero Center/Embarcadero-Lower Market Redevelopment Project Area E-1.

This concerns assignment of a 8.833-1/3 percent interest of Lucy C. Hancock, formerly Lucy D. Crow, in the Embarcadero Center to Trammel Crow as set forth in that certain document dated December 1, 1976.



NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

Resolution No. 245-76 authorizing assignment of partnership interest in the Embarcadero Center/Embarcadero-Lower Market Redevelopment Project E-1.

This concerns assignment of a 8.833-1/3 percent interest in the Embarcadero Center of Stuart M. Crow to Trammel Crow as set forth in the certain assignment dated December 1, 1976.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

(j) Resolution No. 246-76 authorizing assignment of partnership interest in the Embarcadero Center/Embarcadero-Lower Market Redevelopment Project E-1.

This concerns assignment of a 17.666-2/3 percent interest in the Embarcadero Center of Trammel Crow to Panfair Corporation, a Delaware corporation of which David Rockefeller is a shareholder as set forth in that certain assignment dated December 31, 1976.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

Ms. Blomquist inquired if the Members had the opportunity to review the development that was proposed for the fifth block in the Embarcadero Center and Mr. Evans answered that the land is conveyed and the plans are only to be reviewed for consistency with the developer's overall submission.

(k) Consideration of agency procedures regarding advertisement of invitation to bid on demolition and site improvement contracts.

This concerns a request to rescind the November 23, 1971 policy. President Kaplan indicated that this item would be held over for one week.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



MINUTES OF AN ADJOURNED EXECUTIVE MEETING OF THE  
MEMBERS OF THE REDEVELOPMENT AGENCY OF THE  
CITY AND COUNTY OF SAN FRANCISCO HELD ON THE  
20TH DAY OF DECEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco adjourned to an executive meeting at 939 Ellis Street in the City of San Francisco, California at 3:35 o'clock p.m. on the 20th day of December 1976.

The Acting President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal Williams, Vice-President  
Dian Blomquist  
Joan-Marie Shelley  
Howard M. Wexler

and the following were absent:

Alan E. Rothenberg  
James A. Silva

The Acting President declared a quorum present.

Also present were Wilbur W. Hamilton, Acting Executive Director; Arthur F. Evans, Consultant; Tilden H. Edwards, Agency General Counsel; Richard Thomas, Assistant Agency Counsel; Redmond Kernan, Director of Engineering; Oscarlee Fenton, Senior Civil Engineer; Demetrio Salvador, Civil Engineer; Lloyd E. Sinclair, Assistant to the Executive Director; John Nichols and Henry Tiedemann, Jacobs and Associates; and Helen L. Sause, Assistant Agency Secretary.

NEW BUSINESS

- (a) Consideration of litigation in connection with the Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton reported that two major claims were before the Members for consideration. He indicated that policy decisions were needed in both cases. He noted that there would be a presentation of the claim of the Elmer J. Freethy Company and the CEMC Development Corporation claim, both in Hunters Point, followed by staff recommendation. Mr. Arthur F. Evans, Consultant, came forward to explain the history and overview of the claims.

Mr. Evans noted that he was one of the few employees remaining in the Agency's employ who had been involved with the project and the contract from the beginning although Mr. Redmond Kernan was the Chief Engineer at the time the contracts were awarded. Mr. Evans indicated that the CEMC contract, Site Improvement Contract No. 2, was unique for a number of reasons. It was only the second contract to be awarded in Hunters Point and had been preceded by many frustrating delays. There was great pressure to get this work underway in order that housing could be built. He commented that it was unusual to have a \$3.5 million contract completed with a \$4.5 million claim. He noted that the contract was awarded in 1970 shortly after approval of the Redevelopment Plan and provided for grading, construction of retaining walls, and installation of sewer and water lines to serve the child care centers and five housing sites in Phase I. He noted that the contract was completed in 1976. He noted that the urgency to get this work completed because the maximum cost established by Congress for each housing unit is raised each year but is consistently less than

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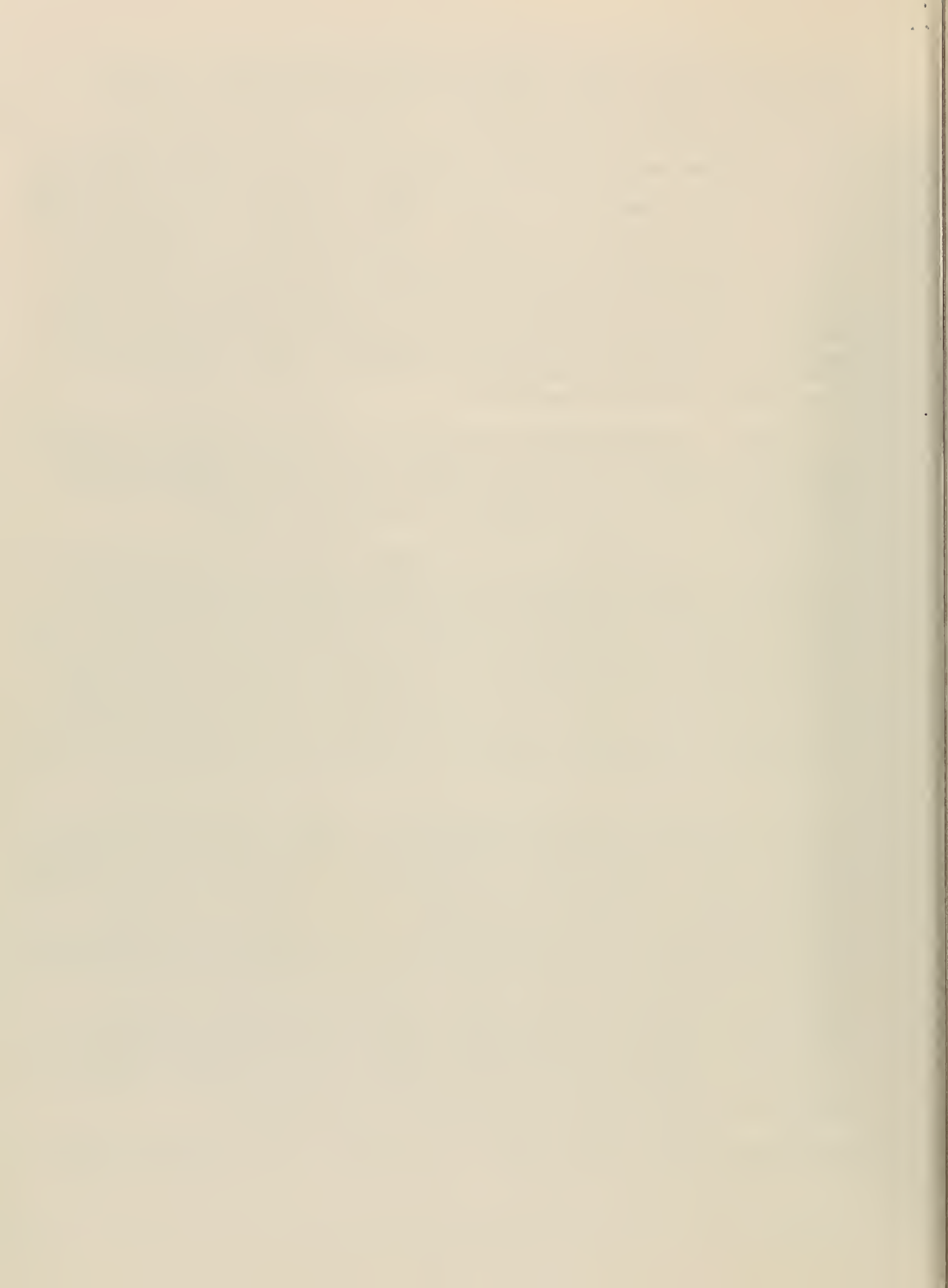
what is necessary to build the housing. At that time the Agency was faced with the fact that if housing construction was not immediately started, inflation would cause costs to exceed the statutory funding limit per unit. This eventually became the case on Site 4. There was also a need to establish credibility in the community by building housing and providing jobs. The Agency was not certain it would get any bids and time was also spent trying to develop an affirmative action program acceptable to the community and the unions. The pressures all resulted in award of the CEME contract while the design of the housing was still underway. This resulted in an unusually large number of change orders to the contract. The CEME contract was also awarded with the understanding that the School District would accept a certain site and later a change had to be made in the contract and a retaining wall built. In addition, CEME was the worst contractor the Agency ever worked with. The CEME entity was a minority subsidiary of a larger corporation which was badly managed. The management of the company changed four times during the work. It was during this period that the principal subcontractor, Chet Smith, actually moved the work to completion.

As a further complicating factor the supervision of this contract was provided by the Agency's consultant, Kirker-Chapman (KCA). This firm had to be terminated for incompetency. All aspects of the contract went wrong and the work which originally was to have taken one year, took two to complete. The claim primarily is to place responsibility for the extra year.

In response to Mr. Wexler's inquiry as to whether the issue concerned delay and over-run damages, or specific work orders and additional work, Mr. Kernan indicated that both were involved. Dr. Williams inquired why the Agency awarded the contract bid to an incompetent contractor and Mr. Evans noted that under state law the agency was compelled to award to the lowest bidder and that the contractor was bonded and had a license. In addition, the contractor had successfully completed two other jobs in Northern California and was a minority contractor. Further, the Agency was under a time deadline because the project was funded on an annual arrangement and there was a provision that if the money was not used, it was lost. Mr. Evans also noted that CEME had the community's approval and had bid \$800,000 lower than the next bid.

Mr. Hamilton noted that there was no question on some aspects of the claim because some change orders were issued which resulted in additional costs but there is a range of liability and particularly in regard to delays it is difficult to fix responsibility. Dr. Williams then commented on the atmosphere in Hunters Point in 1969 and recalled that Hunters Point had a riot in the 60's and stressed the community was fearful it would not be able to have low-income housing. There was also distrust in the community particularly in regard to the affirmative action program to employ people from the neighborhood. Mr. Kernan indicated that affirmative action had been a major consideration in Hunters Point and that all contracts awarded by the agency required that fifty percent of the labor force be filled by workers from the community. In the early contracts, if no community person could be found, a minority trainee was brought in and CEME hired unqualified people, which increased its overhead. Mr. Kernan then enumerated the various site improvement contracts noting the work done on each and the amount of the contract.

- (b) Consideration of the claim by Elmer J. Freethy Co. Site Improvement Contract No. 6M, Hunters Point.



Mr. Kernan then noted that Site Improvement Contract No. 6M, which was awarded to the Elmer J. Freethy Co. in May, 1972 was in the amount of \$907,833 and provided for grading and construction of retaining walls, sewer, and water service and the rough grading of upper housing Site 5. He noted that Contract 6M was a 180-day contract which took an additional 310 days to complete because much of the work was done in the winter and there were various change orders issued during the contract. Freethy filed a claim against the Agency alleging entitlement to \$529,000 over the amount of the contract as a result of the Agency-caused changes and delays. The Agency hired Jacobs and Associates to analyze this claim by Freethy and Jacobs prepared an "as built" schedule which outlined the actual schedule of the work. They then subtracted the events that were Agency caused, or approximately 90 work days, and ended up with a "feasible" schedule of disputed delays. The Jacobs analysis found that in their opinion the lowest amount for which the Agency could be held responsible is \$212,000.

In response to Mr. Wexler's question as to the amount paid for the changes on top of the contract price, Mr. Oscar Fenton responded that the increase was \$27,751. Mr. Wexler then inquired if during the extra 90 work days it could be assumed the contractor was doing everything he should have been and Mr. Tiedemann of Jacobs and Associates responded that his firm considered this time necessary to the completion of the contract.

At this point, 4:00 p.m., Walter F. Kaplan joined the meeting and assumed the presidency.

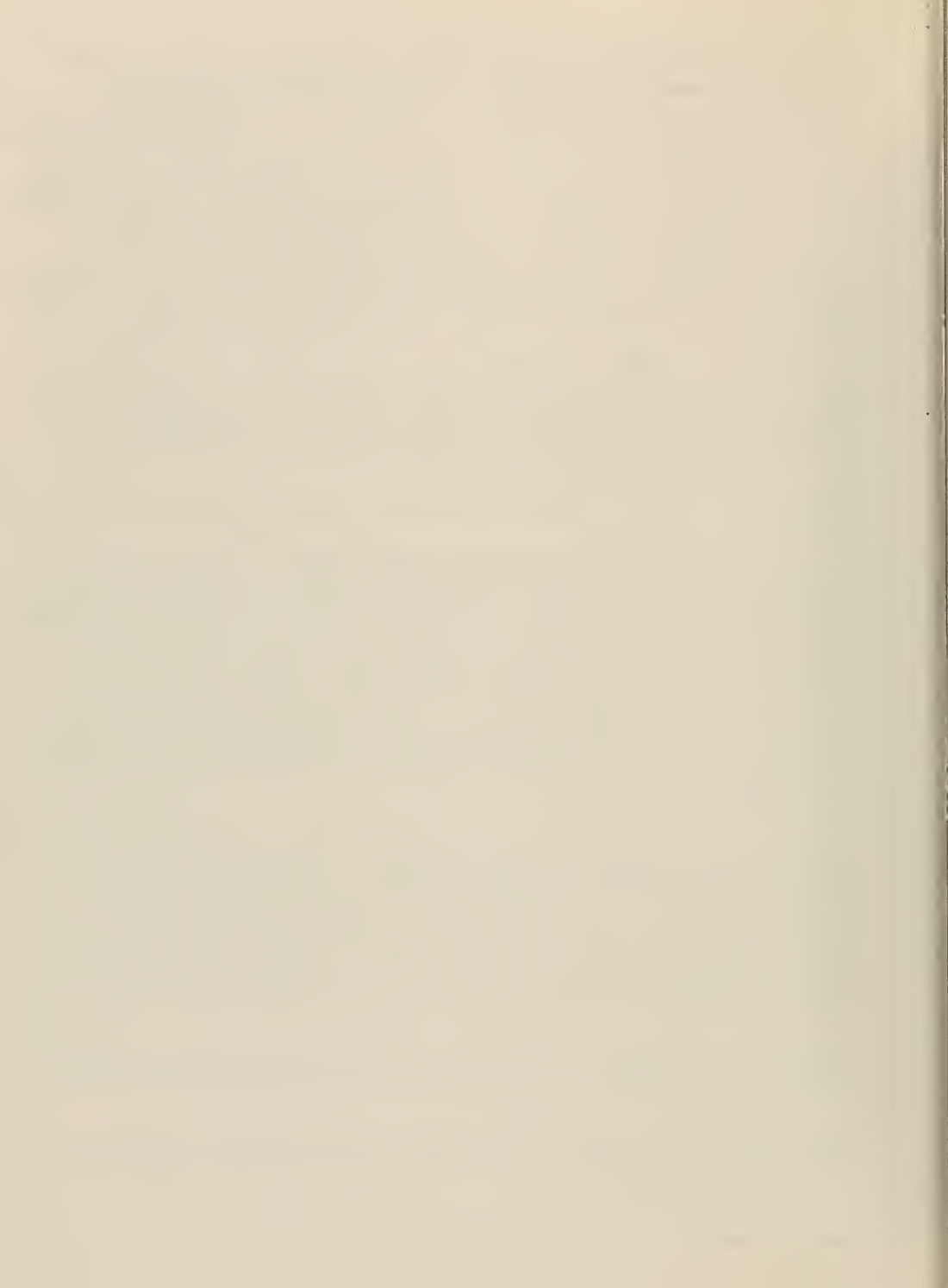
In response to Dr. William's inquiry Mr. Kernan responded that the Freethy firm was a much more competent contractor than CEME but had lost money due to unavoidable delays. Mr. Kernan then described examples of the delays noting that in order to do some grading, utilities on the surface had to be interrupted. Before they could proceed a water line had to be laid. This took 31 days and prevented Freethy from doing anything until the problem was solved. Another problem occurred when it was discovered that a gas line was 30 feet away from where it was thought to be. A change order was required to have Freethy replace poor subsoil which was not discovered until work was underway and caused a 10-day delay, also new water lines requested by the Fire Department had to be installed, and there was a sewer which conflicted with the location of a structure and had to be moved. None of these matters was the fault of the contractor.

In response to Dr. Williams' inquiry as to the amount staff recommended for payment Mr. Kernan indicated that while Freethy originally wanted the full amount of \$529,000 after negotiation agreement was reached on \$212,000. Mr. Wexler inquired if the Freethy firm's time cards had been analyzed to ascertain its actual time on the work. Mr. Tiedemann assured him that the firm's records had been reviewed. In response to Mr. Wexler's inquiry Mr. Kernan recommended that the Members accept the negotiated settlement amount of \$212,000. Mr. Hamilton assured the Members that there are adequate funds to pay the Freethy claim.

MOTION: It was moved by Dr. Williams and seconded by Ms. Blomquist, that the claim of Elmer J. Freethy on Site Improvement Contract No. 6M, Hunters Point be settled in the amount of \$212,000.

Prior to the vote, Mr. Wexler asked for and received assurance from the Agency General Counsel that he could vote on the matter without conflict of interest because he, Mr. Wexler, and Mr. Blomquist and Mr. Hamilton was not involved for the housing sponsor on Site 5.

The above motion was carried unanimously.



(c) Consideration of the claim by CEME Development Corporation, Site Improvement Contract No. 2, Hunters Point.

Mr. Hamilton recommenced consideration of the CEME claim. Mr. Edwards clarified the position of the Chet Smith firm noting that the Agency did not contract with Chet Smith but with the prime contractor, CEME and therefore does not owe money to Chet Smith. In response to Dr. Williams' inquiry, Mr. Edwards noted that if the Agency settled the CEME claim for \$1.75 million, this would also include settlement of the Smith claim. Dr. Williams asked if CEME would accept this settlement figure and Mr. Edwards indicated that CEME had requested assurance that the Members would settle for such an amount before it would consider settlement. Meanwhile the firm has been preparing to litigate the claim.

Mr. Hamilton noted that while the Agency clearly appears to have some liability in the matter, the question is of degree. Mr. Kernan commented on elements of delay attributable to the Agency noting that one of the major elements was construction of the bin wall, the need for less fill than anticipated and as many as 50-60 architectural changes. In response to Dr. Williams' inquiry as to the cause for so many architectural changes, Mr. Kernan noted that the contract had been awarded based on drawings which were changed as the architects completed their work and secured various comments and approvals. Mr. Kernan also noted that the contractor was due money on certain change orders on which price agreements could not be reached during the contract.

Another example of disputed delay cited by Mr. Kernan was that the contractor was working with unusable forms. Mr. Wexler noted that change orders in government contracts are very common. Mr. Kernan then indicated that staff was recommending that the claim be settled at \$1.75 million which was a reasonable figure. In response to Dr. Williams' inquiry, Mr. Kernan advised that this settlement would be with the parent company of CEME Development Company. Mr. Evans indicated that it had been suggested earlier that a settlement figure of \$1.75 million be offered, but the Members had rejected this and directed staff to continue negotiations but that this did not preclude settlement. Ms. Shelley inquired that if \$1.8 million or \$1.75 million was offered and not accepted whether this meant that negotiations would continue or if the matter would go to court, to which Mr. Hamilton responded that it is up to the Members and CEME. He requested that the Members direct the staff on the basis they wished staff to proceed.

In response to questions from the Members as to whether the litigants had agreed to a figure previously which the former Members rejected, President Kaplan responded that the former Members had approved offering CEME \$1.1 million which was rejected. President Kaplan noted that the former Members had directed staff to proceed with preparation for litigation. He added that later Mr. Evans had recommended offering CEME \$1.8 million after an arbitration process but the Members rejected this recommendation because they did not want an arbitrator. Mr. Wexler inquired if the \$1.1 million was an appropriate figure, and Mr. Evans noted that it was based on a preliminary study by Jacobs and Associates and did not take into consideration such additional costs as interest. Mr. Edwards responded to Mr. Wexler's request for his recommendation on a bottom line settlement figure, noting that this case differed from the claim of Elmer J. Freethy Co. and cited the possibility that CEME would press for an even larger amount in court.



Dr. Williams commented that the Agency should pay for delays for which it was responsible and Mr. Thomas, Assistant Agency Counsel, noted that the Chet Smith portion of the claim was verified at \$360,000 and that the Agency would have been in a better position if it had settled with Smith. He stressed that the costs of litigation and the continuation of the trial for at least another two years would substantially increase the amount the agency ultimately had to pay. Mr. Wexler again inquired if the minimum amount owed which could be attributed to the Agency was \$1.3 million which would not include interest, to which Mr. Nichols responded affirmatively noting that \$1.8 million would represent a minimum figure. In response to Dr. Williams' inquiry, President Kaplan noted that he would agree to negotiation based on the Jacobs evaluation and staff recommendation. Mr. Edwards commented that it appeared the CEME claim could become joined with the Chet Smith trial which was set for February although it might be set over until March or April. Mr. Wexler recommended that since the Agency did not contract directly with Chet Smith it need not respond directly to this suit but only the prime contractor CEME. Ms. Blomquist inquired if the Agency settled the CEME claim whether Chet Smith could sue separately and Mr. Edwards responded negatively, adding that the \$1.8 million figure included the Smith claim. Mr. Williams indicated his belief that the Agency should be flexible in increasing the settlement offer and Mr. Hamilton stated that staff would request policy direction from the Members prior to any increase. Mr. Edwards noted that CEME's attorney, Mr. Simon, wanted to discuss the matter with the Members and Mr. Wexler recommended that Mr. Simon deal with the Agency General Counsel and not the Members. He then suggested that if the legal staff believed the \$1.8 million settlement figure was appropriate, it be offered to CEME and if there was not an immediate acceptance staff should immediately move to free the Agency from the Chet Smith court proceedings and begin preparation for litigation.

MOTION: It was moved by Mr. Wexler, seconded by Dr. Williams, and unanimously carried that the staff offer CEME Development Corporation \$1.8 million for settlement of its claim relative to Site Improvement Contract No. 2, Hunters Point and the Agency General Counsel take the steps necessary to remove the Agency from the Chet Smith trial.

#### ADJOURNMENT

It was moved by Mr. Wexler, seconded by Dian Blomquist and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Helen L. Sause

Assistant Agency Secretary



JAN 25 1977

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF DECEMBER 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 21st day of December 1976, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal A. Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Howard M. Wexler

and the following were absent:

Joan-Marie Shelley  
James A. Silva

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, Teall Henderson and Ellie Johnson, Western Addition Project Area Committee (WAPAC); Mervyn Goodman, Goodman Building; Pamela Ross, Martha Sanger, Chester McGuire, and John Campbell, Goodman Group; Vickie Delano, Gabriela Tambio, Beatriz Galiera, R. Machon, Jovita Buted, Melecio Guillermo, Robert Delano, Conrado V. Reyes, Isauro Pailitante, and Florencio Buted, Philippine Cultural and Trade Center; Noboru Nakamura, Van Bourg/Nakamura; Bob Sweigert, Testing Engineers, Inc; and Bill Murdock, Mitsuru Tada, and H. Marte-Bautista, interested citizens.

Representing the press were Don Canter, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Fred Espoldon, Philippine Times; and Alex A. Esclamado, Philippine News.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that the minutes of an Executive Meeting of December 7, 1976, and the minutes of an Executive Meeting of December 14, 1976, as distributed by mail to the Members, be approved.



REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The hearing on the Goodman Building was held in Judge John Benson's court last Thursday, at which time the Agency made its proposal for the life safety corrective work to make the building habitable on the second floor for the seven legal tenants. The Goodman Group indicated it had funds to do the corrective work on the third floor and Judge Benson requested that estimates be obtained by the Group and that these be brought back to him on December 23, 1976. Judge Benson has issued an order not to extend occupancy beyond a 90-day period while the material submitted is examined. This interval also permits the Members to evaluate the Marquis study of the building and the proposal made by Mr. Mervyn Goodman. After requests to be heard by the Members, it was indicated that a short statement could be made by the Goodman Group at the conclusion of the meeting.
- (b) Mr. Hamilton indicated that a short presentation by Mr. William McClure, Director of Rehabilitation, would be made on the Victorian buildings which had been moved to new locations in the Western Addition Area A-2 in 1974.

REPORT OF KEY STAFF MEMBERS

Mr. McClure indicated seven of these buildings designated as historically significant have now been restored to their original grandeur and preserved through the efforts of their owners working with the Foundation for San Francisco's Architectural Heritage and the Agency. Mr. McClure indicated that twelve Victorians had been moved to new sites and the remaining five will be rehabilitated during the next year at a cost of \$464,000.

He reported that in the A-2 program there are about 1,000 rehabilitated units on which \$6 million has been spent. There are 75 units currently under construction which represent \$850,000 in rehabilitation work. Rehabilitation of another thirty to forty units is to start this month and the same number should continue into the future. This represents \$400,000-\$500,000 per month in rehabilitation work.

There are 225 buildings remaining in the area to rehabilitate at a cost of \$25 million. Mr. McClure indicated that the Agency is also evaluating buildings that could be renovated and sold as condominiums. Mr. Rothenberg inquired if there were Victorians for sale in Biedeman Place and Mr. McClure answered affirmatively, noting that five of the buildings that had been moved were not yet rehabilitated, although prospective purchasers had made deposits on them. Mr. Rothenberg inquired if the Agency should place more emphasis on in-house rehabilitation in order to expedite the program, and Mr. McClure responded affirmatively, indicating that the funds were now available to do more in-house rehabilitation. Mr. Rothenberg indicated his belief that the Agency could get its money back faster through in-house rehabilitation and Mr. McClure agreed.



REPORT OF KEY STAFF MEMBERS (continued)

Mr. McClure showed slides of the buildings being moved, the rehabilitation work in process, and the completed buildings. Mr. Wexler complimented Mr. McClure on the interesting presentation.

UNFINISHED BUSINESS

- (a) Consideration of extension of time to submit evidence of financing for the Philippine Cultural and Trade Center Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

President Kaplan indicated that this item would be held over until the next Agency meeting on January 4, 1977.

NEW BUSINESS

- (a) Resolution No. 250-76 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee (WAPAC) for citizen participation in the Western Addition.

This represents execution of a one-year contract with the Western Addition Project Area Committee (WAPAC) from January 1 to December 31, 1977, for a total amount of \$125,000. This amount represents a reduction of \$48,628 from the 1976 contract due to elimination of four positions of clerk typist, relocation specialist, relocation assistant, and janitor, leaving a staff of six. The agreement also was modified to delete the reference to the out-dated program, reference to the relocation specialist, and provides for a six-months' negotiation period prior to termination of the contract.

Mr. Hamilton indicated that WAPAC was considering several by-law changes which would reduce the number of its board members and change the manner of their selection.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 247-76 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-K(1) to member-shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This concerns disposition of Parcel 686-K(1) to Masao and Agnes Ashizawa, member-share holders in the Nihonmachi Community Development Corporation in accordance with the 1968 master agreement. The market-rate price for 6,094 square feet is \$29,860 and Mr. Ashizawa will begin construction of a two-story building in February, 1977. Mr. Noboru Nakamura of VanBourg/Nakamura, came forward and showed the Members a rendering of the proposed development which will contain the Soko Hardware in the basement and half of the first floor and the balance of the building to be used by the Sumitomo Bank.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (c) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 70, Western Addition Approved Redevelopment Project Area A-2.

This represents advertisement of Demolition and Site Clearance Contract No. 70 in Western Addition A-2 for demolition of a nonconforming industrial use, the auto repair shop at the southwest corner of Sutter and Laguna Streets. The area is zoned for R-4 residential in the City Planning Code and for RM residential medium density use by the approved Redevelopment Plan. The Soto Mission plans to develop a \$350,000 church on the site. Ms. Blomquist inquired when the church would be started and Mr. Hamilton indicated that construction would start in February 1977 after clearance of the auto repair shop.

Dr. Williams indicated that the auto repair business is a legitimate use and that this particular one has been located in the area for many years and inquired about the process whereby it became non-conforming. Mr. Hamilton replied that in the process of planning the project, compatible land uses were developed and, further, that the City Planning Code determined that this light industrial use was incompatible with the area. Mr. Wexler indicated that the City Planning Department established 1980 as the termination date for this use and, in any event, the automobile repair shop would have to leave the area within three years regardless of any action the Agency might take. Dr. Williams noted that this zoning change compared to eminent domain proceedings which forced people out of property they had occupied for years. Mr. Wexler indicated that the matter had been previously decided by the Planning Commission and was not within the jurisdiction of the Agency. Dr. Williams indicated his concern for the owner of the auto repair shop, and Mr. Wexler inquired if the owner could remain until 1980. Mr. Gene Suttle, Area Director for Western Addition Area A-2, came forward and responded that the owner of the shop was moving to a larger place with Agency relocation aid and had a tenant to share the cost. He also noted that the Agency can pay up to \$100,000 for the cost of such a business relocation. The property belongs to the Soto Mission which had allowed the repair shop to remain but is now ready to move forward with the development of its church. It is anticipated that although the move is being made with reluctance, the repair shop will be relocated by January or February. Mr. Suttle noted that the City Planning Code does allow certain areas to have automobile repair shops and that the Van Ness corridor was the one the automobile repair shop owner was most interested in and that is where he is relocating. Mr. Suttle recommended approval of the demolition contract.

Mr. Rothenberg inquired about utilization of the existing Soto Mission, and Mr. Suttle replied the American Zen Center would use the building as a religious institution, with a Victorian museum and gallery open to the public.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (d) Consideration of proposals for professional services to determine requirements for re-occupancy of the Imperial Hotel, Yerba Buena Center Redevelopment Project Area.

President Kaplan indicated that this item would be held over.

- (3) Resolution No. 248-76 awarding Personal Services Contract HE-33, Hunters Point Redevelopment Project, to Testing Engineers, Inc.

The concerns a contract for inspection services for eight contracts totalling \$10.3 million currently underway and also provides for inspection of utility company work. The maximum contract amount is not to exceed \$60,000 with Testing Engineering, Inc., for one year's services.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 249-76 awarding Site Improvement Contract No. 18, Hunters Point Redevelopment Project NDP A-5, to O. C. Jones and Sons.

The award of Site Improvement Contract No. 18 in Hunters Point to O. C. Jones and Sons in an amount of \$695,149.61 is recommended for grading and street construction, utility improvements, and landscaping. Seven bids were received averaging \$813,829, which compare favorably to the staff estimate of \$846,777. Mr. Rothenberg noted that there had been concern previously expressed at a meeting by a black contractor that all bids were not treated in the same manner. Mr. Rothenberg asked Mr. Redmond Kernan, Director of Engineering, to comment. Mr. Kernan indicated that all the bids were realistic and noted that the Jones bid had a \$690 arithmetical error but was still a valid bid. Mr. Kernan indicated that he could not respond to Mr. Charles Walker's allegations which were unclear. Mr. Wexler asked if the Agency had a policy of awarding contracts to San Francisco based firms and Mr. Kernan answered negatively, noting that this was prohibited by State law.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Wexler, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 251-76 approving ordering pest control services from the Department of Public Health, all projects.

This concerns authorization to execute a work order with the Department of Public Health for continuance of rodent control services for a period from January 1 through December 31, 1977, covering vacant buildings in all projects placed on bid for demolition. The cost is \$22,500 and provides payment of one rodent controlman's salary of \$17,500 per year and \$5,000 for rodent control material which is so highly toxic that State law limits its application to only public health departments.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (h) Consideration of Agency procedures regarding advertisement of invitation to bid on demolition and site improvement contracts.

Mr. Hamilton indicated that a policy had been established by the Members in 1971 directing staff to send all solicitations for bids on demolition and site improvement contracts by certified mail, requesting a return receipt. There have been complaints from smaller contractors which frequently have no one in their field offices to receive the mail and therefore it is returned to the post office where they have to pick it up personally. This is of considerable inconvenience for the contractors and they have requested that regular mail be used. Mr. Hamilton also noted that the cost of mailing has risen significantly and recommended use of regular mail to reduce the cost to the Agency and greater convenience for smaller contractors. Mr. Wexler inquired that if the change were made whether it would provide a basis for the complaint that people were not apprised of the offering. Agency General Counsel Tilden H. Edwards responded negatively, indicating that the courts accept certificate of mailing and legal notices which are advertised in the newspapers.

MOTION: It was moved by Mr. Wexler, seconded by Ms. Blomquist, and unanimously carried rescinding the policy established at the regular Agency meeting of November 23, 1971, which required invitations to bid on demolition and site improvement contracts be sent by certified mail.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 252-76 approving a settlement of claim and litigation by the Elmer J. Freethy Company in connection with Hunters Point Site Improvement Contract No. 6M in the amount of \$212,040.

This concerns the recommended payment of \$212,040 to settle all claims in connection with the litigation of the Elmer J. Freethy Company for Hunters Point Site Improvement Contract No. 6M in accordance with consideration of the Members in Executive Meeting December 20, 1976.

ADOPTION: It was moved by Mr. Wexler, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

- (b) Ms. Pamela Ross, representing the Goodman Group, requested and received permission to address the Members concerning the hearing before Judge John Benson. Ms. Ross indicated that the proposal by the Agency staff to the court was to close off the third and fourth floors of the Goodman Building and make only the corrections necessary to keep rooms open for seven people. This would mean that twelve people would have to be evicted. In response to Ms. Blomquist's inquiry, Ms. Ross indicated that this proposal was made before the court action. She noted that for the same money the Agency will spend for temporary work to keep the second floor open, the tenants could provide \$7,500 to do more extensive work on a permanent basis. She also noted her understanding that if the building is retained, a \$15,000 grant from Sacramento could be received. She indicated that ownership of the building was not at issue at this time, but stressed that there must be assurance that the building is safe regardless of who owns it. Ms. Ross



MATTERS NOT APPEARING ON AGENDA (continued)

requested that the Members consider her statement as a commitment to spend \$7,500 for permanent repairs rather than temporary work which would later have to be torn out. She indicated that the new tax laws made it more favorable to retain a building which was on the National Register. Ms. Ross stressed her belief that it made no sense to make temporary repairs.

Mr. Chester McGuire came forward and indicated he wished to discuss the economic feasibility of the Goodman Building, but Mr. Rothenberg indicated that the Marquis study which was nearly complete would do this and the Members were not ready to consider the matter at this time. Ms. Ross inquired what the Members had instructed the Agency attorney to say and Mr. Wexler indicated that that was privileged information.

Ms. Ross indicated that there was some dispute on what comprised legal tenants. Mr. Rothenberg indicated that the Marquis report and Goodman proposal would be available in written form for analysis within two weeks. He noted that the question of taxes was a moot one since the Agency does not pay taxes, but if the Agency retains the structure it will tear it down and the entire property sold for development. Ms. Ross indicated that if it is infeasible to rehabilitate the building, then it should be torn down. Mr. McGuire stressed that the report will show that the building is economically feasible to rehabilitate. Mr. Rothenberg noted that Mr. McGuire should not anticipate the decision of the Members on the matter. He indicated that at this time the repairs will be kept to a minimum, and Dr. Williams indicated that the Members would decide what repairs would be made.

Ms. Ross indicated again that the matching \$15,000 grant could be used for repairs if the building is retained. Dr. Williams indicated that this could not happen unless it is guaranteed that the building is owned by the people who are to receive the money. Mr. Rothenberg indicated that the State Preservation Board was under the mistaken impression that the Goodman Group owned the building, and noted that the funds could be given to the Agency if the Goodman Group requested that this be done to rehabilitate the structure. Dr. Williams indicated that the money would not be given just to rehabilitate the structure but would be designated for specific expenditures.

Mr. Wexler noted that at this time the Members were unprepared to do anything. Mrs. Martha Sanger came forward and urged the Members to determine whether the building would remain or not. Mr. Wexler indicated that the Agency would carry out the directive of the court to make life safety repairs on the second floor. Mr. McGuire indicated his belief that the State money could be used by anyone, but Mr. Rothenberg noted that at issue was what would be done with the building. Mr. Wexler indicated that it was his understanding that temporary repairs would be made and no permanent decision would be made at this meeting. Mrs. Sanger expressed her belief that to spend money on the third floor would not fulfill the requirements of the State and Mr. McGuire outlined the legal basis for rent withholding by the Goodman Group.

Mr. Wexler indicated that the tenants wanted the Agency to permit them to make repairs and this cannot be done until the Agency has made a decision



MATTERS NOT APPEARING ON AGENDA (continued)

on the disposition of the building. Mr. McGuire alleged the Agency was throwing away the taxpayers' money and throwing away State money. Mr. Rothenberg noted that the State money would not be available until mid-February, 1977, at the earliest and Mr. McGuire indicated that the repairs could be done now and the grant be used to reimburse the expense.

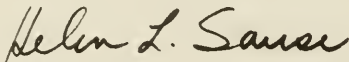
President Kaplan indicated that the Agency could only commit itself to do what the court ordered. Mr. McGuire indicated that this meant the tenants would be evicted, and Mr. Rothenberg indicated that legal tenants were entitled to relocation benefits. Ms. Blomquist reiterated that the Agency would do what the court ordered done and various members of the Goodman Group expressed fear that they would be evicted.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and expressed concern about fire danger in the rest of the building if the Agency makes repairs for code violations on only one floor. Mr. Wexler replied that repairs would be made in accordance with the court order and other floors that were not repaired would be closed off and would not be occupied.

ADJOURNMENT

It was moved by Mr. Wexler, seconded by Mr. Rothenbers, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary

2452 X

MINUTES OF AN EXECUTIVE MEETING OF THE  
MEMBERS OF THE REDEVELOPMENT AGENCY OF THE  
CITY AND COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF DECEMBER 1976

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The Members of the Redevelopment Agency of the City and County of San Francisco adjourned to an executive meeting at 939 Ellis Street in the City of San Francisco, California at 5:30 o'clock p.m. on the 21st day of December 1976, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President  
Dr. Hannibal A. Williams, Vice President  
Dian Blomquist  
Alan E. Rothenberg  
Howard M. Wexler

and the following were absent:

Joan-Marie Shelley  
James A. Silva

The President declared a quorum present.

Also present were Wilbur W. Hamilton, Acting Executive Director; Tilden H. Edwards, Agency General Counsel; Helen L. Sause, Assistant Agency Secretary; and Elsie M. Landry, Assistant Agency Secretary.

NEW BUSINESS

- (a) Consideration of the national search for the position of Executive Director.

Mr. Wexler indicated that he wished to discuss aspects of the national search and referred to a memorandum from Assistant Agency Secretary Helen L. Sause regarding this matter. Mr. Rothenberg indicated he had asked Mrs. Sause to discuss the process used by the City Planning Commission in its national search and also to investigate the various aspects of executive search firms in regard to soliciting a new Executive Director. He also noted that the Members may wish to consider placing advertisements in the local newspapers and professional journals, plus a press release alerting the public that the Agency is actively seeking persons that may qualify for the position. He indicated that the representative from the City Planning Commission expressed his preference for use of a search firm although the Board of Supervisors did not have the money to permit them to use this method. Mr. Rothenberg suggested that the decision should be made as to whether a national search firm is needed and also there should be agreement on the wording of the advertisement. Mr. Rothenberg indicated his belief that there should be equal access through either method. Ms. Blomquist indicated that the Planning Commission had also solicited expressions of interest through a press release.

Dr. Williams inquired how much weight the Members intended to place upon the opinions and desires of the San Francisco community, and Ms. Blomquist replied that there was considerable weight but expressed her belief that the Members needed to look for the best solution rather than on availability. Mr. Wexler indicated that the question of the process to be done through was one that should be decided.



NEW BUSINESS (continued)

Dr. Williams indicated that he was seeking direction on how to respond to the community inquiries which had been directed to him. He indicated that although the Agency has had a succession of directors, it has never been necessary to have a nationwide search and every director has had high commendation. He suggested that a fully qualified black man is in line for the position and there is some considerable question in the city about why the Members want to by-pass that man and initiate a national search. Ms. Blomquist indicated that when the Members had terminated the director they had agreed that Mr. Hamilton would receive the same consideration as other applicants. Mr. Rothenberg stressed that the circumstances for the vacancy of the directorship were different from previous occasions. Dr. Williams noted that in his opinion there was a coalition of the Members which meets and makes decisions and that the matter has already been decided; therefore, anything he would have to say would make no difference. He stated that the selection of the director would be under extensive community scrutiny and indicated that he would be heard from and not be deterred by the Members or anyone else. Ms. Blomquist reiterated her belief that the Members had all agreed that a national search would be initiated, and Dr. Williams again noted that national searches had not been carried out to select other directors. Ms. Blomquist indicated that the Members had made a decision and should go ahead with it. Dr. Williams indicated the Members could proceed, but he would not be party to the matter because it was unjust.

Mr. Wexler indicated his belief that the process was important and that while the Members were aware Mr. Hamilton was a capable man, they had made a commitment for a national search. Should Mr. Hamilton be selected, Mr. Wexler indicated that he would be a stronger and more effective director for having been the choice of the Members after such search. Mr. Wexler indicated that in the event Mr. Hamilton was selected as Executive Director, a Deputy Executive Director would be needed and that a national search could also provide candidates who could be considered for the Deputy's position. Dr. Williams inquired if the Members were advertising for a Deputy and Mr. Wexler replied negatively. Mr. Wexler stressed that the Members were approaching the matter with an open mind and would carefully consider Mr. Hamilton. Dr. Williams indicated his belief that Mr. Hamilton did not need any strengthening and that he did not see how the Members could assume that those responding to an advertisement for a director could then be offered the position of Deputy Executive Director. He also indicated that should the Members decide to pass over Mr. Hamilton again, it would appear they were not too concerned about how they treated a human being. Dr. Williams suggested that there should be a moratorium on the search for a director to see if Mr. Hamilton could perform and that this would be a fair chance for Mr. Hamilton, the same that has been accorded to every other Executive Director. Ms. Blomquist reiterated that the Members had considered this and had agreed to pursue the national search and that the Members would also have this opportunity to see how Mr. Hamilton would perform for these two or three months. Mr. Wexler indicated that Dr. Williams had participated in the unanimous decision on the matter of the national search but had every right to change his position, and Dr. Williams responded that everyone should be able to change his mind when he ascertains what is the correct course. Mr. Wexler indicated that the majority of the Members had made the decision to pursue the national search.

Mr. Rothenberg asked if Dr. Williams believed the Members were passing over consideration of Mr. Hamilton, and Dr. Williams indicated that he wanted to be able to respond to people who questioned him about appointment of Mr. Hamilton.



EW BUSINESS (continued)

Mr. Rothenberg indicated that the Agency has had a difficult time, particularly in Yerba Buena Center, and the Members believed that they should seek the best director in the country and if Mr. Hamilton was chosen it should be because he compared favorably with other candidates. Mr. Rothenberg indicated that Mr. Hamilton has the advantage of knowing the Agency and is also having the opportunity in demonstrating his ability to run the program. Dr. Williams indicated that the matter of Mr. Hamilton's appointment presented serious questions and charges from all over the city and he assured the Members that they would have to respond to questions as to why a national search was necessary to find someone when Mr. Hamilton was available and qualified.

Dr. Williams indicated that he may have done a disservice to Mr. Hamilton by pressing for his appointment but stated that he wished the record to show his protest of the national search. Mr. Rothenberg suggested that further discussion be deferred to the next meeting when Ms. Shelley was present. In response to Mr. Rothenberg's inquiry as to whether the national search should be started, President Kaplan indicated that this was in accordance with the Members' vote. Mr. Rothenberg indicated that he had some comments on the advertising to be used and Mr. Wexler requested copies of the draft. President Kaplan requested that copies be sent to the Members for their comments.

Dr. Williams requested that the national search be reconsidered and noted that he did not believe this was the end of the matter.

MOTION: It was moved by Dr. Williams that Mr. Hamilton be appointed as Executive Director. The motion failed for want of a second.

ADJOURNMENT

It was moved by Mr. Wexler, seconded by Mr. Rothenberg, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6 p.m.

Respectfully submitted,



Helen L. Sause  
Assistant Agency Secretary



